

**NM DEPARTMENT OF TRANSPORTATION
Financial Statements
for the Year Ended
June 30, 2012
and Report of
Independent Auditors**

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Table of Contents

Official Roster	1
Report of Independent Auditors	2
Management's Discussion and Analysis	5
Financial Statements	25
Statement of Net Assets.....	26
Statement of Activities.....	28
Balance Sheet – Governmental Funds.....	30
Reconciliation of the Balance Sheet-Governmental Funds to the Statement of Net Assets.....	32
Statement of Revenues, Expenditures and Changes in Fund Balances-Governmental Funds.....	34
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances-Governmental Funds to the Statement of Activities.....	36
Statement of Net Assets-Proprietary Fund.....	38
Statement of Activities-Proprietary Fund.....	39
Statement of Cash Flows-Proprietary Fund.....	40
Statement of Revenues and Expenditures-Budget and Actual (Modified Accrual Basis) - General and Major Special Revenue Funds.....	41
Notes to Financial Statements	43
Supplementary Information	111
Statement of Revenues and Expenditures-Budget and Actual (Modified Accrual Basis).....	112
Combining Balance Sheet-State Road Fund(s).....	168
Combining Statement of Revenues, Expenditures and Changes in Fund Balance- State Road Fund(s).....	169
Combining Balance Sheet-Traffic Safety Fund(s).....	170
Combining Statement of Revenues, Expenditures and Changes in Fund Balance- Traffic Safety Fund(s).....	172
Combining Balance Sheet-By Fund Type-Non Major Funds.....	174
Combining Statement of Revenues, Expenditures and Changes in Fund Balance-By Type-Non Major Funds.....	184
Other Supplementary Information	195
Capital Projects.....	196
Severance Tax Bonds.....	198
Special Appropriations.....	200
Notes to Supplemental Schedule of Special Appropriations.....	202
Individual Bank Accounts.....	204
Pledged State Revenues.....	206
Debt Service and Coverage.....	208
Joint Powers Agreements.....	212
Single Audit	223
Schedule of Expenditures of Federal Awards.....	224
Notes to Schedule of Expenditures of Federal Awards.....	226
Report of Independent Auditors 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	233
Report of Independent Auditors on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	236
Schedule of Findings and Questioned Costs	239
Summary of Auditors' Results.....	240
Findings – Financial Statement Audit.....	241
Findings and Questioned Costs – Major Federal Award Programs Audit.....	243
Findings – Other Matters.....	245
Summary Schedule of Prior Year Audit Findings.....	249
Exit Conference	250

Year Ended June 30, 2012

Commission

Pete Rahn	Chairman	District 3
Vacant	Vice-Chair	District 2
Dr. Kenneth White	Secretary	District 1
Ronald Schmeits	Commissioner	District 4
Butch Mathews	Commissioner	District 5
Jackson Gibson	Commissioner	District 6

Administrative Officers

Alvin C. Dominguez, P.E.	Cabinet Secretary
Tom J. Church	Deputy Secretary

REPORT OF INDEPENDENT AUDITORS

Mr. Alvin C. Dominguez, P.E., Cabinet Secretary
State of New Mexico
Department of Transportation
and
Mr. Hector H. Balderas
New Mexico State Auditor
Santa Fe, New Mexico

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue fund of State of New Mexico Department of Transportation (Department) as of and for the year ended June 30, 2012, which collectively comprise the Department's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the Department's nonmajor governmental funds, the budgetary comparisons for the major debt service funds, major capital project funds, the nonmajor enterprise fund, and all nonmajor governmental funds presented as supplementary information in the accompany combining and individual fund financial statements as of and for the year ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the Department's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As discussed in Note 1, the financial statements of the Department are intended to present the financial position and changes in financial position of only that portion of the governmental activities, major funds and aggregate remaining fund information of the State of New Mexico that is attributable to the transactions of the Department. They do not

Mr. Alvin C. Dominguez, P.E., Cabinet Secretary
State of New Mexico
Department of Transportation
and
Mr. Hector H. Balderas
New Mexico State Auditor
Santa Fe, New Mexico

purport to, and do not present fairly the financial position of the State of New Mexico as of June 30, 2012, and the changes in its financial position and budgetary comparisons for the year ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Department as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the general fund and major special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of each nonmajor governmental and nonmajor enterprise fund of the Department as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the major capital project funds, debt service funds, nonmajor enterprise funds and nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2012 on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 23 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

Mr. Alvin C. Dominguez, P.E., Cabinet Secretary
State of New Mexico
Department of Transportation
and
Mr. Hector H. Balderas
New Mexico State Auditor
Santa Fe, New Mexico

procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the basic financial statements, the combining and individual fund financial statements and budgetary comparisons. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The additional schedules listed as other supplementary information in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing procedures general accepted in the United states of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Mess Adams LLP

Albuquerque, New Mexico
December 14, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of New Mexico Department of Transportation (Department), we offer the readers of the Department's financial statement this narrative overview and analysis of the financial activities of the Department for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in footnotes to the basic financial statements, which start on page 43 of this audit report.

1. Overview of the Financial Statements

Financial Highlights

The Department's net assets decreased by \$84,851,210, and the net assets of the Department's governmental activities decreased by \$84,919,852 primarily due to depreciation of infrastructure assets exceeding additions and improvements during the current fiscal year.

This discussion and analysis is intended to serve as an introduction to the Department's basic financial statements. The Department's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) major governmental fund financial statements, and 3) notes to the financial statements. This report also contains other non-major combining and individual governmental fund statements and supplementary information, including the schedule of expenditures of Federal awards, in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Department's finances, in a manner similar to private sector business.

The Statement of Net Assets presents information on all of the Department's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Department is improving or deteriorating.

The Statement of Activities presents information showing how the Department's net assets changed during the fiscal year. All changes in net assets are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

The Department's primary purpose is the construction and maintenance of the infrastructure of the State of New Mexico. Thus, in the government-wide financial statements, the primary function is public works.

The government-wide financial statements start on page 26 of this report.

1. Overview of the Financial Statements - continued

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Department uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Department are divided into two categories: governmental funds and proprietary fund.

Governmental Funds

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 fund financial statements focus on current resources and use of spendable resources, as well as on the balance of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Department has 52 governmental funds. Governmental funds are reported as major funds in the accompanying financial statements if they meet both of the following criteria:

- 1) Ten percent criterion - An individual governmental fund reports as least 10 percent of any of the following: a) total governmental fund assets, b) total governmental fund liabilities, c) total governmental fund expenditures.
- 2) Five percent criterion - An individual governmental fund reports at least 5 percent of the total for both governmental and enterprise funds of any of the items for which it met the 10 percent criterion.

The Department's major governmental funds are the following:

State Road Fund(s) (Funds #10040, 10140, 20100, and 82000). The State Road Fund(s) were created by Section 67-3-65, NMSA 1978. The State Road Fund(s) are the operating fund of the Department and is used to account for substantially all of the Department's financial activities.

2010A Bond Project Fund (Fund #10450). The 2010A Bond Project Fund was created by the engagement of \$200,000,000 Line of Credit June 2008. The Line of Credit was engaged in with an adjustable rate and to provide funds for certain transportation projects authorized by the Legislature that the New Mexico Department of Transportation has determined to be necessary or desirable as part of the GRIP transportation projects. The fund does not receive state general fund appropriations that are subject to reversion. In September 2010, the Department refunded the Line of Credit with the NMFA State Transportation Revenue and Refunding Revenue Bonds Series 2010A.

1. Overview of the Financial Statements - continued

2008B GRIP Bond Debt Service Fund (Fund #10420). The fund was created when the \$220,000,000 New Mexico State Transportation Commission Revenue Bonds Series 2008B were issued in April 2008 to refund certain outstanding bonds of the NMFA which were issued for the purpose of financing projects administered by the New Mexico Department of Transportation.

Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the three major funds. Data from the other 49 funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in this report. See pages 168 through 194.

Proprietary Funds

The Department has one type of proprietary fund. An enterprise fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The Department uses its enterprise fund to account for the State Infrastructure Bank, since its purpose is to make loans for road projects.

Proprietary funds provide the same type of information as the government-wide financial statements. The proprietary fund financial statements provide separate information for the State Infrastructure Bank since it is considered to be a major fund of the Department.

The basic proprietary fund financial statements can be found on pages 38 through 39 and the cash flows statement is on page 40 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 43.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain other supplementary information including the Schedule of Severance Tax Bonds, Schedule of Special Appropriations, Schedule of Petty Cash Deposit Accounts, Schedule of State Road Fund User and Fuel Taxes, Schedule of Debt Service and Coverage Ratios and the Schedule of Expenditures of Federal Awards.

THIS PAGE INTENTIONALLY LEFT BLANK

1. Overview of the Financial Statements - continued

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the Department's financial position. At June 30, 2012, the Department's assets exceeded liabilities by \$5,638,365,755.

The largest portion of the Department's net assets reflect its investments in capital assets (e.g., land, building, equipment, improvements, and infrastructure) less any debt and unspent bond proceeds used to acquire those assets that are still outstanding. Although the Department's investment in its capital assets is reported net of related debt and unspent bond proceeds, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net Assets

As of June 30, 2012 and 2011, the Department has positive balances in two categories of net assets, both for the government fund financial statement as a whole, as well as for its separate categories - governmental and business-type activities. Table A-1 summarizes the Department's net assets for the fiscal years ended June 30, 2012 and 2011.

Table A-1 The Department's Net Assets

	Governmental Activities		Business-type Activities	
	2012	2011	2012	2011
Assets:				
Current and other assets	\$ 617,291,608	\$ 566,763,598	\$ 20,873,271	\$ 20,803,240
Capital assets and other	6,986,486,203	7,124,000,071	-	-
Total Assets	\$ 7,603,777,811	\$ 7,690,763,669	\$ 20,873,271	\$ 20,803,240
Liabilities:				
Current liabilities	\$ 262,548,766	\$ 226,133,203	\$ 212,263	\$ 210,874
Long-term liabilities	1,723,524,298	1,762,005,867	-	-
Total Liabilities	\$ 1,986,073,064	\$ 1,988,139,070	\$ 212,263	\$ 210,874
Net Assets:				
Invested in capital assets, net of related debt and unspent bond proceeds	\$ 5,133,222,251	\$ 5,335,465,257	-	-
Restricted	484,482,496	367,159,342	20,661,008	20,592,366
Total Net Assets	\$ 5,617,704,747	\$ 5,702,624,599	\$ 20,661,008	\$ 20,592,366

1. Overview of the Financial Statements - continued

Total	
2012	2011
\$ 638,164,879	\$ 587,566,838
6,986,486,203	7,124,000,071
\$ 7,624,651,082	\$ 7,711,566,909
\$ 262,761,029	\$ 226,344,077
1,723,524,298	1,762,005,867
\$ 1,986,285,327	\$ 1,988,349,944
\$ 5,133,222,251	\$ 5,335,465,257
505,143,504	387,751,708
\$ 5,638,365,755	\$ 5,723,216,965

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Management's Discussion and Analysis
Year Ended June 30, 2012

1. Overview of the Financial Statements - continued

Changes in Net Assets

Table A-2 provides a summary of the Department's operations for the years ended June 30, 2012 and 2011. Governmental activities decreased the Department's net assets by \$84,919,852 in 2012 and increased the Department's net assets by \$6,111,769 in 2011. Business-type activities increased the Department's net assets by \$68,642 in 2012 and by \$82,928 in 2011, due to interest income earned during the year.

Table A-2 Changes in the Department's Net Assets

	Governmental Activities		Business-type Activities	
	2012	2011	2012	2011
Revenues:				
Program revenues:				
Charges for services	\$ 33,838,571	\$ 33,708,736	\$ -	\$ -
Operating grants	30,830,847	29,203,468	-	-
Capital grants	440,135,455	447,931,325	-	-
General revenues:				
User and fuel taxes	386,438,418	388,370,420	-	-
Interest income	3,895,557	4,222,039	68,642	82,928
Special revenues:				
Gain (loss) on disposal of assets	(71,697)	1,857,311	-	-
Total Revenues	895,067,151	905,293,299	68,642	82,928
Expenses:				
Programs and infrastructure	593,274,035	721,146,288	-	-
Transportation and highway operations	376,172,487	222,820,447	-	-
Program support	48,777,112	51,860,125	-	-
Total Expenses	1,018,223,634	995,826,860	-	-
Net Revenues Before Transfers and Reversions	(123,156,483)	(90,533,561)	68,642	82,928
Transfers and Reversions	38,236,631	96,645,330	-	-
(Decrease) Increase in Net Assets	(84,919,852)	6,111,769	68,642	82,928
Net Assets, Beginning of Fiscal Year	5,702,624,599	5,696,512,830	20,592,366	20,509,438
Net Assets, End of Fiscal Year	\$ 5,617,704,747	\$ 5,702,624,599	\$ 20,661,008	\$ 20,592,366

1. Overview of the Financial Statements - continued

Total	
2012	2011
\$ 33,838,571	\$ 33,708,736
30,830,847	29,203,468
440,135,455	447,931,325
386,438,418	388,370,420
3,964,199	4,304,967
(71,697)	1,857,311
895,135,793	905,376,227
593,274,035	721,146,288
376,172,487	222,820,447
48,777,112	51,860,125
1,018,223,634	995,826,860
(123,087,841)	(90,450,633)
38,236,631	96,645,330
(84,851,210)	6,194,697
5,723,216,965	5,717,022,268
\$ 5,638,365,755	\$ 5,723,216,965

1. Overview of the Financial Statements - continued

Governmental Funds

The Department's governmental funds are designed to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Department's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the 2012 fiscal year, the Department's governmental funds reported combined ending fund balances of \$471,028,699 an increase of \$39,760,480 from the prior year. Restricted fund balance indicates amounts available for expenditures in subsequent years for the purposes for which the initial revenues were intended. Non-spendable fund balance indicates amounts which have already been spent and now consist of inventories, long-term assets and prepaid items and other reserved items of \$37,550,499.

The changes in fund balance for the Department's major funds for 2012 are as follows:

State Road Fund(s) (Fund #10040, 10140, 20100, 82000)	\$ 59,405,039
2010A Project Fund (Fund #10450)	3,294,891
2008B GRIP Bond Debt Service Fund (Fund #10420)	<u>(970,999)</u>
Major funds, net change in fund balances	<u>\$ 61,728,931</u>

The net increase in the State Road Fund(s) is due to revenues exceeding budgeted expenditures.

The net increase in the 2010A Project Fund is due to an accounting adjustment of previous year expenditures now being allocated to other bond project funds.

The net decrease in the 2008B GRIP Bond Debt Service Fund is due to interest costs and SWAP collateral costs exceeding interest earnings.

1. Overview of the Financial Statements - continued

Budgetary Highlights

The Department budgets are on a modified accrual basis and not all funds are budgeted. The Department made revisions to the original approved budget by \$137,088,672. Overall, these changes were caused by the following significant budget adjustments:

Increase--State of Texas contribution for Park n Ride for El Paso to Las Cruces	\$ 387,848
Increase--WIPP funding for 2 projects on U.S. 285 and I-40	22,000,000
Increase--NHTSA grant to implement concurrent pedestrian safety and enforcement	131,029
Increase--NMED/ARRA reimbursement for vehicle purchase	70,698
Increase--5 Federal Mass Transit grants for supporting capital and operating expenditures.	1,749,297
Increase--State of Good Repair Federal Transit Administration grant	1,950,000
Increase--obligate remaining FHWA funding balances for FY12 plus state match	106,300,000
Increase--Mesa PDC warranty reimbursement work on U.S. 550	4,563,000
Decrease--Reduction to reflect decrease in FY12 transfers to Department of Public Safety	(63,200)
	\$ 137,088,672

The Department's original operating budget for fiscal year 2012 was \$821,664,200. The final budget for the fiscal year was \$1,244,530,467. The \$422,866,467 increase in budget was mainly due to budget adjustments discussed above and the Department's authorized practice of rolling forward into FY12 its remaining FY11 unexpended contracts and purchase orders. The appropriation budgetary period for those FY11 unexpended contracts and purchase orders lapses at the end of the FY11 fiscal year and the Department has to re-establish the budget in FY12 to fund the roll forward of its unexpended contracts and purchase orders. The Department funds the budget increase by utilizing the balance of the unused FY11 budget revenues that were originally budgeted for the unexpended contracts and purchase orders. The roll forward budget of \$285,777,595 is not included in the above schedule of budget adjustments.

Capital Assets Overview

The Department's investment in capital assets for its governmental activities as of June 30, 2012, amounts to \$6,818,982,980 (net of accumulated depreciation). This investment in capital assets includes land, right of way, buildings, equipment, improvement and the infrastructure. Business-type activities have no capital assets.

Major Infrastructure Projects

The Department develops plans to build a transportation system that will better serve the State of New Mexico. Advanced and innovative strategies include building roads using a corridor approach, where an entire route between communities is built. By designing and constructing entire corridors, the Department has been able to realize efficiencies to benefit the state. The Department also employs innovative project development techniques, warranty agreements and highly advanced financing techniques to accomplish the objectives of the Major Investment Program.

1. Overview of the Financial Statements - continued

Capital Assets Overview - continued

Fiscal Year 2011-2012 Active Projects with a contract amount of \$10 million or more:

I-10/NM 292 Interchange for 3.30 miles. - Doña Ana County
NM 136, MP 4.000 to MP 5.000 and - Doña Ana County
I-25, MP 220.500 to MP 222.860 for 2.358 miles - Bernalillo County
NM 26, MP 0.000 to MP 25.760 for 25.760 miles - Luna County
I-40, MP 14.692 to MP 21.267 for 6.575 miles - MC Kinnley County
US 84/285, MP 183.215 to MP 185.223 for 2.008 miles - Santa Fe County
I-40, MP 140.543 to MP 145.789 for 6.918 miles - Bernalillo County
US 54, MP 107.000 to MP 112.700 for 5.691 miles - Lincoln County
US 54, MP 112.700 to MP 119.000 for 6.345 miles - Lincoln County
US 62/180, MP 35.040 to MP 35.590 and US 285, MP 33.262 to - Eddie County
I-25, MP 239.686 to MP 242.208 for 2.522 miles - Sandoval County
US 64/87, MP 390.332 to MP 400.000 for 9.668 miles - Union County
US 64, MP 62.000 to 64.000 for 2.000 miles - San Juan County
US 64, MP 140.000 to MP 148.560 for 8.560 miles - Rio Arriba County
US 491, MP 67.700 to MP 77.000 for 9.300 miles - San Juan County
I-40, MP 150.042 to 152.334 for 2.292 miles - Bernalillo County
US 491, MP 77.000 to MP 85.200 for 8.220 miles - San Juan County
US 491, MP 59.05 to MP 67.74 for 8.69 miles - San Juan County
US 54, MP 163.230 to MP 175.098 for 11.866 miles - Lincoln County
US 491, MP 46.000 to MP 59.000 for 13.042 - San Juan County
I-25, MP 234.600 to MP 239.800 for 5.227 miles - Sandoval County
US64/87, MP 359.950 to MP 375.200 for 15.109 miles - Colfax County
I-10, Las Cruces to Texas State Line for 18.310 miles - Doña Ana County
I-10/I-25, Interchange for 2.255 miles. - Doña Ana County
I-40, MP 160.730 to MP 162.170 and I-40/San Mateo - Bernalillo County
US 84/285, Santa Fe Relief Route to Santa Fe Opera and - Santa Fe County

1. Overview of the Financial Statements - continued

Automotive and Major Road Fund Equipment

For fiscal year 2012, the Automotive and Major Road Fund Equipment modified accrual basis budget total was approximately \$10.1 million. Of this budget, approximately \$10.1 million was fully expended at June 30, 2012. Automotive and Major Road Fund Equipment purchased includes pickups, dump trucks, rollers, excavators, mowers, tractors, loaders, snowplows, brooms, dozers, motor graders, spreaders, millers, trailers, motor vehicles, etc. All items are approved during the legislative session prior to July of each fiscal year. The Department holds several sales and public auctions during the year to liquidate old and obsolete equipment to public and private entities.

Table A-3
Department's Capital Assets

	2012		2011
Land	\$ 5,177,044	\$	5,203,234
Construction in Process	193,830,627		138,315,764
Right of Way	485,300,485		482,057,709
Infrastructure	15,071,694,230		15,198,106,783
Equipment and furniture	30,453,316		30,059,620
Library	102,614		102,614
Buildings	45,823,291		45,966,744
Automotive and Major Road Fund Equipment	205,816,651		199,045,213
Accumulated depreciation	(9,219,215,278)		(9,090,753,273)
Total	\$ 6,818,982,980	\$	7,008,104,408

Additional information on the Department's capital assets can be found in Note 10 of this report.

1. Overview of the Financial Statements - continued

Debt Administration

The Department is authorized to issue bonds by authority of Section 67-3-59.1 of the New Mexico Statutes Annotated (NMSA)(1978), as amended. The focus of the Department's bond program is to accelerate transportation construction projects while maintaining strong debt service coverage ratios and minimizing the costs of borrowing.

At June 30, 2012, the Department had a total outstanding debt (bonds) of \$1,635,870,000. Outstanding bond debt is backed by the Department's anticipated state tax revenues and FHWA revenues.

Table A-4
Department's Outstanding Debt

	<u>2012</u>	<u>2011</u>
Bonds (excludes deferred amounts on refunding)	<u>\$ 1,635,870,000</u>	<u>\$ 1,704,450,000</u>

The Department's total bond debt decreased by 4%, or (\$68,580,000). Total outstanding bond debt at the end of the 2012 fiscal year was \$1,635,870,000 compared to \$1,704,450,000 at the end of the 2011 fiscal year. The net decrease in debt resulted from principal repayments. See Note 13 for a detail of all outstanding bonds.

The Department made \$2,482,729 in arbitrage payments to the Internal Revenue Service for excess income earned on the bond proceeds from the 2006A, 2006B and 2006C GRIP Bonds during the fiscal year.

2. Economic Factors and Revenue Forecasts

Economic and Demographic Characteristics

New Mexico is the 36th largest state by population and the fifth largest in land area. According to the decennial census the State's population as of April 1, 2010 was 2,059,179. Between 2000 and 2010, the State was the fifteenth fastest growing state, as the population increased 13.2 percent from the 2000 population of 1,819,046. Over the same period of time, the national population grew 9.7 percent. Most of this population growth is occurring in or near the larger cities. There are four Metropolitan Statistical Areas (MSA) in the state. The Albuquerque MSA is comprised of Bernalillo, Sandoval, Torrance and Valencia Counties; the Las Cruces MSA is Dona Ana County; the Santa Fe MSA is Santa Fe County, and the Farmington MSA is San Juan County. The fastest growing counties in the state are Sandoval, Dona Ana, Bernalillo, Valencia and Lea.

Major industries in the State are energy resources, semi-conductor manufacturing, tourism, services, agriculture-agribusiness, government, and mining. In 2011, New Mexico was the 6th largest producing state of natural gas and the 6th largest producing state of onshore crude oil. In 2010 coal, copper and potash production value amounted to \$1.58 billion and the state ranked 12th, 4th and 1st respectively in the US. The mining and logging industry employed more than 22,000 New Mexicans in 2012. Major federally funded scientific research facilities at Los Alamos, Albuquerque and White Sands are also a notable part of the State's economy. The state's major transportation routes include Interstate-25, running north-south from El Paso, Texas through Las Cruces, Albuquerque, Santa Fe, Las Vegas and Raton, New Mexico toward Pueblo and Denver, Colorado. Major east-west routes, especially important to interstate commercial carrier traffic, include Interstate-10 from El Paso, Texas to Tucson and Phoenix, Arizona, and Interstate-40 from Amarillo, Texas through Tucumcari, Albuquerque and Gallup, New Mexico to Flagstaff, Arizona.

Revenue Forecasts and Budgets

Federal Revenue:

FHWA Revenue - Federal Revenue – The amount of FHWA revenue (obligation authority) available to all states has slightly increased as a result of the passage of the 5 year transportation reauthorization bill entitled "Safe, Accountable, Flexible, and Efficient Transportation Equity Act for the 21st Century – A Legacy for Users" "SAFETEA-LU" in 2005. The amounts of "obligation limitation" available to New Mexico are \$287.5 million in FY2005, \$292.8 million in FY2006, \$271.1 million in FY2007, \$253.5 million in FY2008, \$372.5 million in FY2009, \$314.8 million in FY2010, \$321.8 million in FY2011 and \$322.1 million in FY12. MAP-21 was signed and will be a two year plan impacting the funding for FY13 and FY14. The reauthorization bill provides "apportionment" amounts, but the real spending amount (the "obligation amount") is determined by the appropriation levels in each year's federal budget bill.

2. Economic Factors and Revenue Forecasts - continued

Federal Transit Administration Funds - NMDOT reported revenue of \$18,660,602 in FY 2012 Federal Transit Administration grant funds.

National Highway Traffic Safety Administration Funds - NMDOT reported revenue of \$12,031,664 in FY 2012 of National Highway Traffic Safety Administration grant funds.

ARRA Revenue - NMDOT reported revenue of \$70,698 of FY 2012 ARRA funds passed through from the New Mexico Environment Department (DERA). NMDOT also reported \$1,226,400 revenue of FY 2012 ARRA funds from FTA and \$30,304,182 revenue of FY 2012 ARRA funds from FHWA.

State Revenue:

Revenues for the New Mexico Department of Transportation over the long-term (20 years) are characterized as being steady and growing at rates associated with the Consumer Price Index (CPI). There have been periods of stronger and slower, even declining, rates of growth. From fiscal years 1988 to 2000, the average annual compound growth rate was 2.7% and from 2003 to 2007 it was 7.5%. In fiscal year 2001, there was a contraction and then a slowdown due to economic recession that lasted three years.

Department of Transportation revenues was not immune from the latest recession. However, diversity of revenue sources helped to moderate the impact. State Road Fund revenues are split roughly half and half between passenger car based and interstate trucking sourced. Those revenues associated with trucking (special fuel and weight/distance) were negatively influenced by the US economic recession during FY2008 through FY2010 and fell about 15% while passenger cars based revenues (gasoline and vehicle registrations) have been comparatively more stable. With recent current improvements in the US economy, trucking activity has begun to improve and concurrently there has been an increase in the trucking related revenues. FY 2007 was the peak year for Road Fund revenues before the recession; FY 2010 was the low point with revenues falling by over \$35 million or 9%. FY 2017 is forecast to be the year that revenues finally surpass the FY 2007 level, with the peak-to-return cycle lasting 10 years: falling for 3 years by 10% and slowly climbing for 7 years to fully recover.

The latest (July 2012) revenue forecast for the State Road Fund expects revenue growth of about 2.6% in FY2013, followed by growth in the 0.3% to 1.9% range during the subsequent four fiscal years. The revenue growth forecast for the Department as a whole is somewhat less at slightly over 2.0% for FY2012, followed by growth in the 0.3% to 2.1% range during the subsequent four fiscal years.

2. Economic Factors and Revenue Forecasts - continued

State Revenue Forecasts - Major Revenue Sources

In the fall of 2003, a special session of the New Mexico Legislature was held and transportation rates and fees were raised on special fuels (primarily diesel), weight/distance trucking rates and motor vehicle registration fees. The basis of these increases was to provide \$40 million annually for the debt service on GRIP, a large, multi-year road construction program. The increases were designed also to add \$20 million for road maintenance. These rate/fee increases, along with the strong economy, added almost \$100 million (36%) from FY 2003 to FY 2007 to the annual State Road Fund revenue levels.

The budget estimate for state tax and fee revenue is prepared in July/August and December/January for each year for the budget year ending 24 months (or 18 months) later. Each fiscal year's revenue estimate is formally assessed six times: twice before the year begins, twice during the fiscal year and twice after the end, with the final numbers being the actual audit.

In fiscal years 2005 through 2007, state revenues from gasoline, special fuels, weight/distance and vehicle registrations grew by \$47.7, \$15.9, \$18.7, million each year, respectively. In fiscal years 2008 through 2010, these same revenues declined \$13.2, \$19.0 and \$5.6 million each year. These four revenue sources constitute 93% of the state road fund. These revenues were consistent with the forecasts for the periods and did add the expected \$60 million for GRIP debt service and highway maintenance expenditures. Strong economic trends, particularly in the trucking industry, also helped to provide for strength in revenue growth in FY 2005 through FY 2007 and have led the decline in FY 2008 through FY 2010, and are now the primary contributors to the return to historic levels as growth in gasoline revenue is expected to moderate to a lower long term growth trend.

Due to the size and importance of each of these four sources, a look at each individually helps to provide a more complete picture of the Department's revenues.

Gasoline tax is the largest of State's revenue sources, providing about \$105 million in revenue in FY 2012. This tax is 17 cents per gallon of gasoline sold, with about three-fourths going to the state road fund and the remainder going primarily to municipalities and counties. It is the one major tax that was not increased during the special session of 2003. Historically, gasoline gallons sold increased until 1995, remained relatively stable from 1995 to 1999, and decreased in 2001, when they again stabilized. The peak years were 1995 to 1999, with 1998 providing \$117.9 million. When increases, slowing and plateaus are discussed in conjunction with gasoline revenues, it should be noted that they are very moderate changes.

Of much interest and frequent query, is how the gasoline usage (gallons) has fared during the dramatic price increase between 2004 and 2008 and in light of the economic slowdown. Somewhat surprisingly, for New Mexico, there has been surprisingly little change in gasoline usage.

2. Economic Factors and Revenue Forecasts - continued

Special fuel tax (primarily diesel) is the second largest of the state's revenue sources, providing about \$92.3 million in FY 2012, down from the peak of \$101.5 in FY 2008. The tax per gallon was raised from 18 to 21 cents per gallon effective in FY 2005. Of the 21 cents, the State Road Fund receives 19 cents, with the remainder going to the Local Governments Road Fund. Including the 2003 special legislative session rate increase, special fuels grew by \$27.0 million, or 36%, from FY 2004 to FY 2008. Special fuel, over time, has been a strongly growing revenue source with an average annual compound growth rate of 5.2% from 1988 to 2008. After the collapse of the national housing bubble, special fuel revenue fell to a low \$85.6 million in FY 2009 and has since climbed slowly to \$92.3 million in FY 2012.

Weight/Distance tax is charged on trucks over 26,000 pounds and varies by weight and distance traveled in New Mexico. It ranges from a rate of around one cent per mile for vehicles weighing 26,001 to 28,000 pounds to slightly over 4 cents per mile for vehicles weighing over 78,000 pounds. It is historically the third largest revenue producer, with about \$72.8 million in revenue in FY 2012, down from the peak of \$77.4 million in FY 2008. Its rates, too, were raised in the fall 2003 special session. Prior to the tax rate increase, revenues averaged \$50+ million. After FY 2004, revenue increased from 43% to 50%, primarily due to the 38% tax rate increase. (It should be noted that an additional "bump" increase occurred in 2007 because of revenue accrual accounting changes.)

During the latest economic recession, declining consumer durable goods expenditures led to a fairly steep and sudden reduction in freight of all types including air, ship, rail and truck. That decline was in the range of 20% and began in December, 2008. Corresponding reductions in State Road Fund trucking related revenues began in March 2009 and, in only four months, dropped the annual revenue by \$2 million in FY2009. The full year impact in FY2010 of this Weight/Distance tax revenue decline was a \$7.8 million decrease relative to FY2008.

Motor vehicle registration fees are now the third largest revenue source at about \$75.6 million in FY 2012. These fees were raised in the 2003 Special Legislative session by about 33%, and revenue increased by about \$20.7 million or 39%, from FY 2004 to FY 2008. The fees are based on three weight classes for passenger vehicles and 14 weight classes for trucks and commercial carriers. The annual registration fees for trucks over 26,000 pounds are low because those vehicles are subject to the weight/distance taxes, discussed above. This revenue, like gasoline, has remained stable during both the economic expansions and recessionary periods.

Two revenue sources have been impacted negatively by recent federal procedure rulings and legislation. One is the Trip Tax and the other is New Mexico Public Regulation Commission common carrier registration fees. Trip Tax is charged on trucks in lieu of the weight/distance tax and vehicle registration fees for those trucks/companies not registered for weight/distance. What was called a cab card and carried in each truck was used for weight/distance registration identification. Federal regulations now prevent states from requiring the showing of state-specific taxpayer documentation cards. Trip tax rose to a peak of \$8.6 million in FY 2006 and provided revenues of about \$5.7 million in FY 2012. New Mexico is one of four states that impose a weight/distance tax and its associated trip tax. There have been strong investments recently in reporting enforcement and an optical scanning computer truck identification interface with the weight/distance tax data base. These have been accompanied by penalty increases for improper weight/distance tax filing, capital improvements at ports of entry and statewide enhanced documentation checks.

2. Economic Factors and Revenue Forecasts - continued

The New Mexico Public Regulation Commission previously collected common carrier registration fees. Because of efforts by the trucking industry to centralize registrations (because so many trucks are on the road and prorating registrations in so many states), a new common system and procedures were passed into law in the fall of 2006. In FY 2006, the Department received \$3.7 million in revenue. Under the new national system, the total fees across the country were capped at \$100 million and then apportioned such that the maximum New Mexico can now receive is \$3.2 million. Because of delays in getting the system up and running, revenue for FY 2007 came in at \$377,000, \$866,000 for FY 2008, \$2.3 million in FY 2009, and \$1.4 million in FY 2010. With improvements to this situation, FY2011 revenue came in at about \$2.7 million; however, late payments from the national depository in FY 2012 led to revenue of only \$881 thousand. Future years are expected at the \$3 million level.

Background - Gasoline Tax and Tribal Tax Sharing Agreements

The state permits gasoline to be sold at retail by registered Indian tribal distributors on Indian land free of State gasoline tax if the applicable Indian government imposes an equivalent or higher tax (for its own benefit) on retail gasoline sales. The growth in tribal market share initially out-paced the overall growth rate of gasoline sales as a result of competitive pricing, casino traffic, and new tribal travel centers. Over the past few years tribal sales have stabilized at around 60 million gallons per year with 56.4 million gallons reported in FY 2012.

In 2003 and 2004, legislation allowed the state to enter into "tax sharing agreements" with the two Native American Pueblos that were previously entitled to market a limited amount of state-tax-free gasoline outside reservation boundaries. Under the agreements, 40% of the tax collected on 30 million gallons of gasoline per year will be shared with each of the two Pueblos, in exchange for the Pueblos ceasing their wholesale sales activities outside reservation boundaries. The result of these agreements (entered into on January 1, 2004 and July 1, 2004) was significantly more predictable gasoline revenues. These agreements also resulted in a net revenue gain for the State while the gasoline excise tax was higher than the average gross receipts tax otherwise imposed. The term of the two agreements was for a period of 10 years. Chapter 15, Laws 2010 (Senate Bill 59 from the 2010 regular legislative session) allows these agreements to be extended under the same terms for an additional 10 years.

3. Contacting the Department's Financial Management

This financial report is designed to provide citizens, taxpayers, customers, legislators and investors and creditors with a general overview of the Department's finances and to demonstrate the Department's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact:

Attn: Accounting Services Director
New Mexico Department of Transportation
1120 Cerrillos Road
P.O. Box 1149
Santa Fe, New Mexico 87504-1149
(505) 827-5108

THIS PAGE INTENTIONALLY LEFT BLANK

FINANCIAL STATEMENTS

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Net Assets

As of June 30, 2012

	Governmental Activities	Business-type Activities (State Infrastructure Bank)	Total
Current Assets:			
Cash (Note 2):			
Unrestricted	\$ 2,600	\$ -	\$ 2,600
Cash equivalents (Note 2): (Investment in state general fund investment pool)			
Restricted	265,097,186	20,199,312	285,296,498
Managed by NMFA	201,667,771	-	201,667,771
Receivables:			
Taxes receivable, net	62,494,204	-	62,494,204
Accounts receivable, net (Note 3)	3,059,519	-	3,059,519
Interest receivable	199,200	-	199,200
Notes and loans receivable (Note 5)	6,397	669,814	676,211
Other receivables	99,731	-	99,731
U.S. Department of Transportation (Note 6)	53,681,950	-	53,681,950
Due from other state agencies (Note 8)	4,601,850	4,145	4,605,995
Capitalized issuance costs	899,144	-	899,144
Inventories (Note 9)	13,260,425	-	13,260,425
Prepaid expense - other	3,387	-	3,387
Prepaid expense - NM44 warranty	3,189,030	-	3,189,030
Property held for resale, net	9,029,214	-	9,029,214
Total Current Assets	617,291,608	20,873,271	638,164,879
Non-Current Assets:			
Deferred outflow of resources	137,082,035	-	137,082,035
Capitalized issuance costs, net	7,106,032	-	7,106,032
Prepaid expense - NM44 warranty, net	23,315,156	-	23,315,156
Capital assets, net (Note 10)	6,818,982,980	-	6,818,982,980
Total Non-Current Assets	6,986,486,203	-	6,986,486,203
Total Assets	\$ 7,603,777,811	\$ 20,873,271	\$ 7,624,651,082

See Report of Independent Auditors and Notes to Financial Statements

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Net Assets

As of June 30, 2012

	Governmental Activities	Business-type Activities (State Infrastructure Bank)	Total
Current Liabilities:			
Accounts payable and contracts payable, including retainage of \$11,758,637	\$ 86,409,451	\$ -	\$ 86,409,451
Due to other agencies (Note 12)	20,684,803	-	20,684,803
Due to state general fund	44,566	-	44,566
Payable to other governments		212,263	212,263
Deferred revenue	15,753,071	-	15,753,071
Other accrued expenses	4,015,567	-	4,015,567
Other liabilities	502,009	-	502,009
Short-term note payable (taxable line of credit) (Note 13)	35,000,000	-	35,000,000
Current portion of long-term obligations (Note 13):			
Compensated absences	5,961,995	-	5,961,995
Debentures payable, net of deferred loss on refunding	82,312,469	-	82,312,469
Capitalized bond premium	11,864,835	-	11,864,835
Total Current Liabilities	262,548,766	212,263	262,761,029
Long-Term Liabilities:			
Long-term obligations (Note 13):			
Derivative instruments interest rate swap	137,082,035	-	137,082,035
Debentures payable, net of deferred loss on refunding	1,477,050,169	-	1,477,050,169
Capitalized bond premium, net	109,392,094	-	109,392,094
Total Long-Term Liabilities	1,723,524,298	-	1,723,524,298
Total Liabilities	1,986,073,064	212,263	1,986,285,327
Net Assets:			
Invested in capital assets, net of any related debt and unspent debt proceeds	5,133,222,251	-	5,133,222,251
Restricted for:			
Loans	-	20,661,008	20,661,008
Specific purposes	484,482,496	-	484,482,496
Total Net Assets	5,617,704,747	20,661,008	5,638,365,755
Total Liabilities and Net Assets	\$ 7,603,777,811	\$ 20,873,271	\$ 7,624,651,082

See Report of Independent Auditors and Notes to Financial Statements

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Activities

For the Year Ended June 30, 2012

	Governmental Activities	Business-type Activities (State Infrastructure Bank)	Total
Program Expenses:			
Programs and infrastructure	\$ 593,274,035	\$ -	\$ 593,274,035
Transportation and highway operations	376,172,487	-	376,172,487
Program support	48,777,112	-	48,777,112
Total Program Expenses	<u>1,018,223,634</u>	<u>-</u>	<u>1,018,223,634</u>
Program Revenues:			
Charges for services	33,838,571	-	33,838,571
Operating grants	30,830,847	-	30,830,847
Capital grants	440,135,455	-	440,135,455
Total Program Revenues	<u>504,804,873</u>	<u>-</u>	<u>504,804,873</u>
Net Program Revenue (Expense)	<u>(513,418,761)</u>	<u>-</u>	<u>(513,418,761)</u>
General Revenues (Losses):			
User and fuel taxes	386,438,418	-	386,438,418
Interest income	3,895,557	68,642	3,964,199
Gain (loss) on disposal of assets and adjustments	(71,697)	-	(71,697)
Total General Revenues (Losses)	<u>390,262,278</u>	<u>68,642</u>	<u>390,330,920</u>
Transfers:			
Reversions to state general fund (Note 15)	(1,090,100)	-	(1,090,100)
Transfers from: severance tax bond appropriation (Note 11)	45,822,731	-	45,822,731
Transfers from (to) other state agencies and local governments, net (Note 11)	(6,496,000)	-	(6,496,000)
Total Transfers	<u>38,236,631</u>	<u>-</u>	<u>38,236,631</u>
Net General Revenues and Transfers	<u>428,498,909</u>	<u>68,642</u>	<u>428,567,551</u>
Change in Net Assets/Operating Income	(84,919,852)	68,642	(84,851,210)
Net Assets, Beginning of Fiscal Year	5,702,624,599	20,592,366	5,723,216,965
Net Assets, End of Fiscal Year	<u>\$ 5,617,704,747</u>	<u>\$ 20,661,008</u>	<u>\$ 5,638,365,755</u>

See Report of Independent Auditors and Notes to Financial Statements

THIS PAGE INTENTIONALLY LEFT BLANK

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Balance Sheet - Governmental Funds

As of June 30, 2012

	Major Funds		
	State	2010A Bond	2008B GRIP
	Road Fund(s)	Project Fund	Bond Debt Service
	(SHARE 10040, 10140,	(SHARE 10450)	Fund
	20100, 82000)	(SHARE 10450)	(SHARE 10420)
Assets:			
Cash: (Note 2)			
Unrestricted	\$ 2,600	\$ -	\$ -
Restricted	-	-	-
Cash Equivalents: investment in state general fund investment pool) (Note 2)			
Unrestricted	-	-	-
Restricted	155,182,564	14,945,051	-
Managed by NMFA	76,098	55,087,524	32,335,088
Receivables:			
Taxes receivable, net	57,115,473	-	-
Accounts receivable, net (Note 3)	3,058,519	-	-
Interest receivable	195,582	591	35
Notes and loans receivable (Note 5)	6,397	-	-
Other receivables	99,731	-	-
Due from:			
U.S. Department of Transportation (Note 6)	42,576,769	-	-
Other funds (Note 7)	7,831,546	-	-
Other state agencies (Note 8)	21,443	-	-
Inventories (Note 9)	13,260,425	-	-
Prepaid expenses - other	3,387	-	-
Prepaid expenses - risk management	-	-	-
Prepaid expense - NM44 warranty	26,504,186	-	-
Property held for resale	9,029,214	-	-
Total Assets	\$ 314,963,934	\$ 70,033,166	\$ 32,335,123
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	\$ 65,584,258	\$ 4,104,007	\$ -
Due to other funds	1,323,919	-	6,409,295
Due to other agencies (Note 12)	10,830,639	-	-
Due to state general fund	16,456	-	-
Deferred revenue	3,708,135	-	-
Other accrued expenses	3,962,872	-	-
Other liabilities	502,010	-	-
Short-term notes payable (taxable line of credit)	-	-	25,522,244
Total Liabilities	85,928,289	4,104,007	31,931,539
Fund Balances:			
Non-spendable	37,550,499	-	-
Restricted	-	65,929,159	403,584
Committed	191,485,146	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total Fund Balances	229,035,645	65,929,159	403,584
Total Liabilities and Fund Balances	\$ 314,963,934	\$ 70,033,166	\$ 32,335,123

See Report of Independent Auditors' and Notes to Financial Statements

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Balance Sheet - Governmental Funds

Other Governmental	Total Governmental
\$ -	\$ 2,600
-	-
-	-
94,969,571	265,097,186
114,169,061	201,667,771
5,378,731	62,494,204
1,000	3,059,519
2,992	199,200
-	6,397
-	99,731
11,105,178	53,681,947
5,751,103	13,582,649
4,580,407	4,601,850
-	13,260,425
-	3,387
-	-
-	26,504,186
-	9,029,214
\$ 235,958,043	\$ 653,290,266
\$ 16,721,185	\$ 86,409,450
5,849,435	13,582,649
9,854,164	20,684,803
28,109	44,565
18,314,388	22,022,523
52,695	4,015,567
-	502,010
9,477,756	35,000,000
60,297,732	182,261,567
-	37,550,499
138,947,596	205,280,339
47,167,664	238,652,810
-	-
(10,454,949)	(10,454,949)
175,660,311	471,028,699
\$ 235,958,043	\$ 653,290,266

See Report of Independent Auditors' and Notes to Financial Statements

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Reconciliation of the Balance Sheet-Governmental Funds to the Statement of Net Assets

As of June 30, 2012

Total Fund Balances - Governmental Funds
(Governmental Fund Balance Sheet)

\$ 471,028,699

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

Amounts recorded as deferred revenue in the governmental funds that were not received within the period of availability - 60 days after year end; recorded as revenue in the Statement of Activities:

Balance Sheet - Governmental Funds	22,022,525	
Statement of Net Assets	(15,753,071)	
Change in deferred revenue		6,269,454

Capital assets used in governmental activities are not financial resources and, therefore, not reported in the funds:

The cost of capital assets is	16,038,198,258	
Accumulated depreciation is	(9,219,215,278)	
Total capital assets		6,818,982,980

Long-term debt not recorded as liabilities in the governmental funds, but recorded as long-term liabilities in the Statement of Net Assets:

Debentures payable (bonds only)		(1,635,870,000)
Deferred loss on refunding (net of current period amortization)		76,507,362
Compensated absences		(5,961,995)

Capitalized issuance costs not recorded in the governmental funds as an asset, net of amortization:

8,005,176

Capitalized bond premiums not recorded in the governmental funds as a liability, net of amortization:

(121,256,929)

Net Assets of Governmental Activities (Statement of Net Assets)

\$ 5,617,704,747

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Reconciliation of the Balance Sheet-Governmental Funds to the Statement of Net Assets

THIS PAGE INTENTIONALLY LEFT BLANK

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds

For the Year Ended June 30, 2012

	Major Funds		
	State	2010A Bond	2008B GRIP
	Road Fund(s) (SHARE 10040, 10140, 20100, 82000)	Project Fund (SHARE 10450)	Bond Debt Service Fund (SHARE 10420)
Revenues:			
User and fuel taxes	\$ 360,092,177	\$ -	\$ -
U.S. Department of Transportation	405,584,655	-	-
U.S. Department of Energy	-	-	-
Fees and fines	-	-	-
Licenses and permits	5,667,260	-	-
Charges for services	2,374,255	-	-
DWI interlock device	-	-	-
Other revenue	11,955,641	2,654	-
Interest earnings	108,827	6,246	1,077,659
Total Revenues	785,782,815	8,900	1,077,659
Expenditures:			
Current:			
Operating costs	11,299,066	-	-
Personal services	86,308,690	-	-
Out-of-state travel	27,695	-	-
Grants and services	2,637,304	-	-
Travel	18,630,369	-	-
Maintenance and repairs	8,079,247	-	-
Supplies	34,298,708	-	-
Contractual services	60,808,565	227,338	-
Other costs	5,707,456	-	1,348,031
Employee benefits	40,145,892	-	-
Capital outlay	310,104,658	(3,513,329)	-
Debt service:			
Principal	64,265,035	-	-
Interest	77,196,530	-	700,644
Trustee and broker fees	-	-	-
Debt issuance costs	-	-	-
Total Expenditures	719,509,215	(3,285,991)	2,048,675
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	66,273,600	3,294,891	(971,016)
Other Financing Sources (Uses):			
Appropriations, net of reversions (Note 15)	(11,137)	-	-
Transfers: severance			
tax bond appropriation	-	-	-
Transfers from (to) other agencies (Note 11)	(6,796,000)	-	-
Transfers from (to) escrow agent (Note 11)	-	-	-
Transfers: intra-agency (Note 11)	(61,424)	-	17
Proceeds from LT notes payable (Note 11)	-	-	-
Face value of debentures payable (Note 11)	-	-	-
Premiums of debentures payable (Note 11)	-	-	-
Total Other Financing Sources (Uses)	(6,868,561)	-	17
Net Changes in Fund Balances	59,405,039	3,294,891	(970,999)
Fund Balance, June 30, 2011	169,630,606	62,634,268	1,374,583
Fund Balance, June 30, 2012	\$ 229,035,645	\$ 65,929,159	\$ 403,584

See Report of Independent Auditors' and Notes to Financial Statements

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds

<u>Other</u>		<u>Total</u>	
<u>Governmental</u>		<u>Governmental</u>	
\$ 26,346,240		\$ 386,438,417	
62,432,127		468,016,782	
11,545,850		11,545,850	
67,160		67,160	
11,825,333		17,492,593	
-		2,374,255	
1,376,576		1,376,576	
569,693		12,527,988	
<u>2,702,826</u>		<u>3,895,558</u>	
<u>116,865,805</u>		<u>903,735,179</u>	
38,220		11,337,286	
1,016,459		87,325,149	
6,154		33,849	
54,404,960		57,042,264	
4,449		18,634,818	
21,409		8,100,656	
5,822		34,304,530	
1,836,474		62,872,377	
2,528,417		9,583,904	
347,314		40,493,206	
115,831,347		422,422,676	
4,314,965		68,580,000	
3,583,441		81,480,615	
-		-	
-		-	
<u>183,939,431</u>		<u>902,211,330</u>	
<u>(67,073,626)</u>		<u>1,523,849</u>	
(1,078,963)		(1,090,100)	
45,822,731		45,822,731	
300,000		(6,496,000)	
-		-	
61,407		-	
-		-	
-		-	
-		-	
<u>45,105,175</u>		<u>38,236,631</u>	
<u>(21,968,451)</u>		<u>39,760,480</u>	
<u>197,628,762</u>		<u>431,268,219</u>	
<u>\$ 175,660,311</u>		<u>\$ 471,028,699</u>	

See Report of Independent Auditors' and Notes to Financial Statements

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental
Funds to the Statement of Activities

For the Year Ended June 30, 2012

Net Changes in Fund Balances - Total Governmental Funds

(Statement of Revenues, Expenditures, and Changes in Fund Balances) \$ 39,760,480

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

Net change in deferred revenue adjustments from prior to current year (reported as a liability in the Balance Sheet-Governmental Funds and reported as revenue in the Statement of Activities.) (8,596,328)

In the Statement of Activities, certain operating expenses - compensated absences (sick and annual leave) - are measured by the amounts earned during the year to the Governmental Funds, however, expenditure for these items are measured by the amounts of financial resources used (essentially, the amounts actually paid). The increase (decrease) in the compensated absences liabilities for the fiscal year was: (310,736)

The Statement of Revenues, Expenditures and Changes in Fund Balances report capital outlays as expenditures. In the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In the current period these amounts were:

Capital outlay	422,422,676	
Depreciation expense	(611,472,407)	
Sale of capital asset and adjustments, net book value	<u>(71,697)</u>	
Excess of depreciation expense over capital outlay		(189,121,428)

(Issuance) repayment of debentures recorded as a (source of revenue) principal expenditure in the Statement of Revenues, Expenditures and Changes in Fund Balances recorded as an (increase) reduction in long-term debentures payable in the Statement of Net Assets:

Principal payments	<u>68,580,000</u>	68,580,000
--------------------	-------------------	------------

Net change in deferred loss on refunding (including write off of unamortized balance of premiums and issuance costs associated with the refunded bonds), which is recorded as a reduction of long-term liabilities in the Statement of Net Assets: (6,197,531)

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental
Funds to the Statement of Activities

Additional bond premiums recorded as an other financing source in the Statement of Revenues, Expenditures and Changes in Fund Balance, recorded as a liability of \$121,256,929 in the Statement of Net Assets, net of \$11,864,835 of amortization, recorded as a decrease to interest expense in the Statement of Net Assets:

Amortization of bond premium	11,864,835	
		11,864,835

Bond issuance costs recorded as debt issuance costs in the Statement of Revenues, Expenditures and Changes in Fund Balances, recorded as an asset of \$8,005,176 in the Statement of Net Assets, net of amortization of \$899,144 recorded as an expense in the Statement of Activities:

Bond issuance costs reported in governmental funds as debt issuance costs	-	
Amortization of bond issuance cost	(899,144)	
		(899,144)

Change in Net Assets of Governmental Activities (Statement of Activities)		\$ (84,919,852)
--	--	------------------------

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Net Assets-Proprietary Fund

As of June 30, 2012

	<u>State Infrastructure Bank</u>
Assets:	
Current Assets:	
Cash equivalents (Note 2):	
(Investment in state general fund investment pool)	
Restricted	\$ 20,199,312
Receivables:	
Due from other state agencies	4,145
Notes and loans receivable (Note 5)	669,814
Total Current Assets	<u>20,873,271</u>
Total Assets	<u><u>\$ 20,873,271</u></u>
Liabilities:	
Current Liabilities:	
Due to other governments	\$ 212,263
Total Current Liabilities	<u>212,263</u>
Total Liabilities	<u>212,263</u>
Net Assets:	
Restricted for:	
Loans	20,661,008
Total Net Assets	<u>20,661,008</u>
Total Liabilities and Net Assets	<u><u>\$ 20,873,271</u></u>

See Report of Independent Auditors' and Notes to Financial Statements

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Activities-Proprietary Fund

For the Year Ended June 30, 2012

	State Infrastructure Bank
Operating Revenues (Expenses):	
Interest income	\$ -
Total Operating Revenues (Expenses)	-
Non-Operating Revenues (Expenses):	
Interest income	68,642
Expense	-
Total Non-Operating Revenues (Expenses)	68,642
Change in Net Assets/Operating Income	68,642
Net Assets, Beginning of Fiscal Year	20,592,366
Net Assets, End of Fiscal Year	\$ 20,661,008

See Report of Independent Auditors' and Notes to Financial Statements

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Cash Flows-Proprietary Fund

For the Year Ended June 30, 2012

	State Infrastructure Bank
Cash flows provided from operating activities:	\$ 67,366
Cash flows from financing activities:	
Loans issued	(109,069)
Loans repaid	1,371,060
Net increase in cash and cash equivalents	1,329,357
Cash and cash equivalents at June 30, 2011	18,869,955
Cash and cash equivalents at June 30, 2012	\$ 20,199,312
Reconciliation of operating income to net cash provided from operating activities:	
Operating income	\$ 68,642
Adjustment to reconcile operating income to net cash by operating activities:	
Decrease in interest receivable	-
Decrease in due from other funds	-
Increase from due from other agency	(2,665)
Decrease in accounts payable	-
Decrease in due to other funds	-
Increase in due to local governments	1,389
Cash flows provided by operating activities:	\$ 67,366

See Report of Independent Auditors' and Notes to Financial Statements

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis) - General and Major Special Revenue Funds

For the Year Ended June 30, 2012

STATE ROAD FUND(S) (SHARE 10040, 10140, 20100, 82000)

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Over (Under)
			(Modified Accrual)	
Revenues:				
Federal funds	\$ 370,231,700	\$ 463,031,700	\$ 405,584,655	\$ (57,447,045)
Other state funds	374,965,800	378,347,658	380,089,333	1,741,675
Interest revenue	-	-	108,827	108,827
Total Revenues:	<u>745,197,500</u>	<u>841,379,358</u>	<u>778,986,815</u>	<u>\$ (62,392,543)</u>
Prior Year Funds Rebudgeted	<u>247,839,878</u>	<u>262,845,668</u>		
	<u>\$ 993,037,378</u>	<u>\$ 1,104,225,026</u>		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			6,796,000	
Total GAAP Revenues			<u>\$ 785,782,815</u>	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ 24,606,700	\$ 24,606,700	\$ 21,108,065	\$ 3,498,635
Contractual services	544,860,031	648,547,879	15,178,120	633,369,759
Other	160,827,913	163,827,913	633,494	163,194,419
Intra-agency transfers (in) out	-	-	61,425	(61,425)
Reversions	-	-	11,137	(11,137)
	<u>730,294,644</u>	<u>836,982,492</u>	<u>36,992,241</u>	<u>799,990,251</u>
Transportation and Highway Ops:				
Personal services/employee benefits	94,282,600	94,282,600	83,250,645	11,031,955
Contractual services	43,847,329	48,410,329	42,528,558	5,881,771
Other	74,065,305	74,065,305	513,605,191	(439,539,886)
	<u>212,195,234</u>	<u>216,758,234</u>	<u>639,384,394</u>	<u>(422,626,160)</u>
Program Support				
Personal services/employee benefits	24,620,600	24,620,600	22,095,873	2,524,727
Contractual services	4,628,100	4,628,100	3,101,887	1,526,213
Other	14,389,600	14,389,600	9,775,984	4,613,616
Intra-agency transfers (in) out	6,909,200	6,846,000	-	6,846,000
	<u>50,547,500</u>	<u>50,484,300</u>	<u>34,973,744</u>	<u>15,510,556</u>
Total Annual Budgeted Expenditures	<u>\$ 993,037,378</u>	<u>\$ 1,104,225,026</u>	<u>711,350,379</u>	<u>\$ 392,874,647</u>
Reconciliation to GAAP expenditures:				
Accruals			8,231,398	
Transfers in (out)			(61,425)	
Amortization and reversions			(11,137)	
Total GAAP Expenditures			<u>\$ 719,509,215</u>	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

See Report of Independent Auditors' and Notes to Financial Statements

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis) - General and Major Special Revenue Funds

For the Year Ended June 30, 2012

	2010A BOND PROJECT FUND (SHARE 10450)			
	Budgeted Amounts		Actual	
	Original	Final	Amounts (Modified Accrual)	Variance Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	2,654	2,654
Interest revenue	-	-	6,246	6,246
Total Revenues:	-	-	8,900	\$ 8,900
Prior Year Funds Rebudgeted	-	-		
	\$ -	\$ -		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			\$ 8,900	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	227,338	(227,338)
Other	-	-	(4,225,025)	4,225,025
Intra-agency transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	-	-	(3,997,687)	3,997,687
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Total Annual Budgeted Expenditures	\$ -	\$ -	(3,997,687)	\$ 3,997,687
Reconciliation to GAAP expenditures:				
Accruals			711,696	
Transfers in (out)			-	
Amortization and reversions			-	
Total GAAP Expenditures			\$ (3,285,991)	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

See Report of Independent Auditors' and Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS

NATURE OF ORGANIZATION

A primary government is any state or general purpose local government consisting of all the organizations that make up its legal entity. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are, for financial reporting purposes, part of the primary government. The Department, therefore, is part of the primary government of the State of New Mexico and its financial data should be included in the financial data of the State.

The New Mexico Department of Transportation (Department), formerly known as the New Mexico State Highway and Transportation Department, within the State of New Mexico is responsible for planning, organizing and directing a comprehensive transportation network. The Department was created by the Constitution of New Mexico, Article V, Section 14; and Sections 67-3-1 through 67-3-70, New Mexico Statutes Annotated, 1978 Compilation. The Highway & Transportation Department Reorganization Bill (House Bill 210) created the Department as of July 1, 1987. Under this reorganization act, portions of the Transportation Department were merged into the Department to create the Department's Aviation and Transportation Divisions. On April 4, 2003, the Governor signed a bill changing the Department's name to the New Mexico Department of Transportation.

The governing body of the Department is a six person State Highway Commission. Commissioners are appointed by the Governor, with the advice and consent of the Senate, and each serves for staggered six-year terms.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements for the Department have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB has issued Statement No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*, and Statement No. 38, *Certain Financial Statement Note Disclosures*. These Statements established the financial reporting requirements for state and local governments throughout the United States. The Department is responsible for the fair presentation of the accompanying financial statements in conformity with accounting principles generally accepted in the United States of America. The Department has prepared required supplementary information entitled, *Management's Discussion and Analysis*, which precedes the basic financial statements.

Financial Reporting Entity

The accompanying financial statements of the Department include all funds and activities over which the Department has oversight responsibility. The Department is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards. Even though the Governor appoints the Commission, the Commission has decision-making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters. Effective July 1, 2003, GASB 39, *Determining Whether Certain Organizations are Component Units*, expands the criteria of component units. GASB 39 has no impact on the Department and the Department has no blended or discretely presented component units during the year ended June 30, 2012.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Financial Reporting Entity - continued

The Department, the New Mexico Finance Authority (NMFA) and the Federal Highway Administration (FHWA) established a State Infrastructure Bank (SIB) on September 30, 1997. The SIB is a revolving loan program accounted for as a business-type operation - enterprise fund and is administered by the Department to finance highway projects. The initial capitalization for the SIB came from the Highway Department's allotment of federal funds. The Department matched the federal funds based on the required matching percentage from state funds.

Government-wide and Fund Financial Statements

The government-wide financial statements (the Statement of Net Assets and the Statement of Activities) report information of all of the activities, except for fiduciary and component units, of the Department. The effect of material interfund activity has been removed from these government-wide statements. Governmental activities, primarily the construction and maintenance of the State's road system, which normally is supported by taxes and intergovernmental revenues, are reported separately from the business-type activities of the SIB, which to a significant extent acts as a business, loaning funds to other entities and charging interest on the loans. Operating income for the SIB is interest income earned on the funds loaned to other entities. All other income, including interest earned on funds on hand, is non-operating income to the SIB.

Basis of Presentation

The Statement of Activities demonstrates the degree to which the direct expenses of a function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific department function of building and maintaining the State's road system (public works). Program revenues include charges to customers who purchase, use or directly benefit from goods or services provided by a department. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements for public works. Taxes and other items not properly included among program revenues are reported instead as general revenues. Resources that are dedicated internally are reported as general revenues rather than as program revenues. The Department does not allocate general government expenses to other functions except for depreciation (in direct) (Note 10).

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Basis of Presentation - continued

Governmental funds are reported as major funds in the accompanying financial statements if they meet **both** of the following criteria:

Ten percent criterion- An individual governmental fund reports at least ten percent of *any* of the following: a) total governmental fund assets, b) total governmental fund liabilities, c) total governmental fund revenues, or d) total governmental fund expenditures.

Five percent criterion- An individual governmental fund reports at least five percent of the total for both governmental and enterprise funds of any of the items for which it met the ten percent criterion.

The Department's major governmental funds are the following:

State Road Fund(s) (Funds #10040, 10140, 20100, and 82000). The State Road Fund(s) were created by Section 67-3-65, NMSA 1978. The State Road Fund(s) combine to create the operating fund of the Department and is used to account for substantially all of the Department's financial activities. Section 67-3-59 NMSA establishes that this is a non-reverting fund. This is a general fund. Individual fund data for each fund comprising the State Road Fund(s) are provided in the form of combining statements in this report. See pages 168 to 169.

2010A Bond Project Fund (Fund #10450). The 2010A Bond Project Fund was created by the engagement of \$200,000,000 Line of Credit June 2008. The Line of Credit was engaged in with an adjustable rate and to provide funds for certain transportation projects authorized by the Legislature that the New Mexico Department of Transportation has determined to be necessary or desirable as part of the GRIP transportation projects. The fund does not receive state general fund appropriations that are subject to reversion. In September 2010, the Department refunded the Line of Credit with the NMFA State Transportation Revenue and Refunding Revenue Bonds Series 2010A.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Measurement Focus, Basis of Accounting and Financial Statement Presentation

2008B GRIP Bond Debt Service Fund (Fund #10420). The fund was created when the \$220,000,000 New Mexico State Transportation Commission Revenue Bonds Series 2008B were issued in April 2008 to refund certain outstanding bonds of the NMFA which were issued for the purpose of financing projects administered by the New Mexico Department of Transportation.

Government-Wide Financial Statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Business Type - Proprietary Fund - State Infrastructure Bank (SIB) Financial Statements. The financial statements of the proprietary fund are reported using the economic resources measurement focus and the accrual basis of accounting, similar to the government-wide statements described above.

A proprietary fund has the option under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, to elect to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The SIB has elected to not apply FASB pronouncements issued after the applicable date.

Governmental Fund Financial Statements. The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. 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. For this purpose, the Department considers revenues to be available if they are collected within 60 days after year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Modifications to the accrual basis of accounting include:

Employees' vested compensated absences are recorded as an expenditure when utilized. The amount of accumulated compensated absences unpaid at June 30, 2012, has been reported only in the government-wide financial statements.

Interest and principal payments on general long-term obligations is recognized as expenditures when paid.

Executory purchase orders and contracts are recorded as a restriction of fund balance in the Capital Project Funds and Special Revenue Funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Measurement Focus, Basis of Accounting and Financial Statement Presentation - continued

The financial activities of the Department are recorded in individual funds, each of which is deemed to be a separate accounting entity. The Department uses fund accounting to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. The measurement focus is on the flow of expendable financial resources, rather than on net income determination. All governmental funds are accounted for using the modified accrual basis of accounting. The funds' revenues are recognized in the period in which they become susceptible to accrual (i.e., when they are both measurable and available to pay liabilities in the current period). "Available" is defined as collectible within the current period or soon enough thereafter, within 60 days after year-end, to be used to pay liabilities of the current period. Intergovernmental revenues, including Federal allotments and grants, are recorded in accordance with their legal or contractual requirements if collected in the current period or if collectability is assured subsequent to year-end. Grant revenues are collected in advance of the period intended to finance expenditures. If the eligibility requirements are not met, they are recorded as deferred revenues.

The following are the governmental fund types used:

General Funds - The General Funds (Funds #10040, 10140, 20100, and 82000) are used to account for the proceeds of specific revenue sources that are not otherwise required to be reported in a special revenue fund. The State Road Fund(s) are the operating and general funds of the Department and are used to account for substantially all of the Department's financial activities. Resources are generated primarily from user and fuel taxes and federal grants. Expenditures are incurred to build and improve the transportation system within the State of New Mexico. These funds do not receive state general fund appropriations that are subject to reversion.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. Resources are generated primarily from user and fuel taxes and federal grants. Expenditures are incurred to build and improve the transportation system within the State of New Mexico. These funds do not receive state general fund appropriations that are subject to reversion.

HIF Bond Fund (Fund #20200). The Highway Infrastructure (HIF) Fund was created under Laws 1998, chapters 84 and 85. This fund is used to account for acquisition for right of ways, planning, design, engineering, construction or improvement of state highway projects. This is a non-reverting fund. The governmental fund types used by the Department were evaluated based on the provisions of GASB Statement No. 54.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Measurement Focus, Basis of Accounting and Financial Statement Presentation - continued

Special Revenue Funds – continued

Local Government Road Fund (Fund #20300). The Local Government Road Fund was created by Section 67-3-28.2, NMSA 1978. This fund is used to account for monies received for (1) cooperative agreements program for construction and improvement of public highways and streets, and public school parking lots; (2) a municipal arterial program for construction for reconstruction of highways and streets not on the state highway systems; (3) a school bus route program for maintaining, repairing, improving and paving school bus routes, and public school parking lots; and (4) a county arterial program for construction, reconstruction, improvement and maintenance of county roads. Funding is received from state excise taxes. The fund does not receive state general fund appropriations that are subject to reversion.

Federal Planning and Development Fund (Fund #10030). This fund is authorized by the Commission to account for the planning and administration of federal grant monies and state matching funds for mass transportation and railroad improvements. The Highway Safety Act of 1966, as amended, 23 U.S.C. 401 Et. Seq. and 23 U.S.C. 410, authorizes the establishment of this fund. The fund does not receive state general fund appropriations that are subject to reversion.

State Aviation Fund (Fund #20500). The State Aviation Fund was created by Section 64-1-15, NMSA 1978. This fund is used to account for planning, construction and maintenance of a system of airports, navigation aids and related facilities serving New Mexico. Financing is provided from all unrefunded taxes collected on the sale of motor fuel sold for use in aircraft. This is a non-reverting fund.

Traffic Safety Fund(s). Previously three funds were combined for presentation as the Traffic Safety Fund(s). These were the Traffic Safety Fund (#20800), the Federal Traffic Safety Fund (#10010) and the Ignition Interlock Fund (#82600). The following three funds are now also combined into the Traffic Safety Fund(s); the Driver Improvement Program Fund (#10020), Motorcycle Training Fund (#20600) and the DWI Prevention and Education Fund (#20700). Individual fund data for each fund comprising the Traffic Safety Fund(s) are provided in the form of combining statements in this report. See pages 170 through 173.

The Federal Traffic Safety Fund (#10010). The Federal Traffic Safety Fund is the fund through which federal funds are received for various traffic safety programs. This is a non-reverting fund.

Driver Improvement Program Fund (Fund #10020). The Driver Improvement Program Fund was created by Executive Order 87-20. This fund is used to account for the operation of a driver improvement program. Financing is provided from fees collected for drivers' manuals and admissions to driver training courses. This is a non-reverting fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Measurement Focus, Basis of Accounting and Financial Statement Presentation - continued

Special Revenue Funds – continued

Motorcycle Training Fund (Fund #20600). The Motorcycle Training Fund was created by Section 66-10-10, NMSA 1978. This fund is used to account for the operation of a motorcycle safety training program. Financing is provided from motorcycle registration fees and student training fees. All money in the motorcycle training fund in excess of amounts budgeted revert to the State Road Fund.

DWI Prevention and Education Fund (Fund #20700). The DWI Prevention and Education Fund was created by Section 66-5-35, NMSA 1978. This fund is used to account for the operation of a DWI (Driving While Intoxicated) prevention and education program for elementary and secondary school students. Financing is provided from limited license and permit fees. This is a non-reverting fund.

The Traffic Safety Fund (#20800). The Traffic Safety Fund was created by Section 66-7-512, NMSA 1978. The fund is used for the state match for the federal traffic safety fund programs. This is a non-reverting fund.

The Ignition Interlock Fund (#82600). The Ignition Interlock Fund was created by Section 66-8-102.3, NMSA 1978 for the administration of the Ignition Interlock program. This is a non-reverting fund.

1993 Bond Project Fund (Fund #39400). The bond project fund was created due to the issuance of the December 1993 \$50,000,000 State of New Mexico Highway debentures. The funds from the sale of all of the debentures were required to be deposited in a special account with the State Treasurer. Proceeds can also be invested in U.S. Treasury obligations held by the State Treasurer with maturities of no more than one year until needed. The funds are to be used to finance state highway projects, pay expenses incurred to issue the debentures and payments of rebate, penalty, interest and other obligations relating to the debentures or the proceeds. The fund does not receive state general fund appropriations that are subject to reversion.

1999A CHAT Bond Project Fund (Fund #43000). The bond project fund was created due to the issuance of the October 1998 \$105,000,000 New Mexico State Highway Commission Senior Subordinate Lien Tax Revenue Bonds Series 1998A and the \$100,000,000 New Mexico State Highway Commission Senior Subordinate Lien Tax Revenue Bonds Series 1999 issued in November 1999. The funds from the sale of the debentures were required to be deposited in a special account with the State Treasurer. Also, proceeds can be invested in U.S. Treasury obligations and repurchase agreements with maturities of no more than one year until needed. The funds are to be used to finance state highway projects, pay expenses incurred to issue the debentures and payments of rebate, penalty, interest and other obligations relating to the debentures or the proceeds. The fund does not receive state general fund appropriations that are subject to reversion.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Measurement Focus, Basis of Accounting and Financial Statement Presentation - continued

Special Revenue Funds – continued

2001A CHAT Bond Project Fund (Fund #00600). The bond project fund was created due to the issuance of the March 2001 \$198,800,000 New Mexico State Highway Commission Senior Subordinate Lien Tax Revenue Bonds Series 2001A. The funds from the sale of the debentures were required to be deposited in a special account with the State Treasurer. Proceeds can also be invested in U.S. Treasury obligations and repurchase agreements with maturities of no more than one year until needed. The funds are to be used to finance state highway projects, pay expenses incurred to issue the debentures and payments of rebate, penalty, interest and other obligations relating to the debentures or the proceeds. The fund does not receive state general fund appropriations that are subject to reversion.

2002C HIF Bond Project Fund (Fund #36100). The bond project fund was created due to the issuance of the May 2002 \$67,750,000 New Mexico State Highway Commission Infrastructure Fund Revenue Highway Bonds Series 2002C. The funds from the sale of the debentures were required to be deposited in a special account with the State Treasurer. Proceeds can also be invested in U.S. Treasury obligations and repurchase agreements with maturities of no more than one year until needed. The funds are to be used to finance state highway projects, pay expenses incurred to issue the debentures and payments of rebate, penalty, interest and other obligations relating to the debentures or the proceeds. The fund does not receive state general fund appropriations that are subject to reversion.

ARRA Project Fund (Fund #89000). The ARRA Project Fund was created under the American Recovery and Reinvestment Act of 2009, a federal economic stimulus program. This fund tracks the expenditure and reimbursement of projects which qualify under the terms of the Act. This is a non-reverting fund. This is a special revenue fund.

WIPP Bond Project Fund (Fund #43100). The Waste Isolation Pilot Plant (WIPP) Bond Project Fund was created under US congress Public Laws Waste Isolation Pilot Plant Withdrawal Act Public Law 102-579 of 1992 and National Defense Act Public Law 104-201 of 1997. The funds provided under these acts become state funds under the purposes specified under the acts. These funds are required to be used for road projects related to the Waste Isolation Pilot Plant in Carlsbad, New Mexico. This is a non-reverting fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Measurement Focus, Basis of Accounting and Financial Statement Presentation - continued

Special Revenue Funds – continued

2002D CHAT Bond Project Fund (Fund #11500). The bond project fund was created due to the issuance of the December 2002 \$16,000,000 New Mexico State Highway Commission Senior Subordinate Lien Tax Revenue Bonds Series 2002D. The funds from the sale of the debentures were required to be deposited in a special account with the State Treasurer. Proceeds can also be invested in U.S. Treasury obligations and repurchase agreements with maturities of no more than one year until needed. The funds are to be used to finance state highway projects, pay expenses incurred to issue the debentures and payments of rebate, penalty, interest and other obligations relating to the debentures or the proceeds. The fund does not receive state general fund appropriations that are subject to reversion.

2004A GRIP Bond Project Fund (Fund #20400). The bond project fund was created when \$700,000,000 New Mexico State Transportation Senior Lien Revenue Bonds Series 2004A were issued through the New Mexico Finance Authority in May 2004. The funds from the sale of the debentures were required to be deposited in a special account with NMFA. Unspent proceeds are on deposit with the NMFA and recorded as restricted cash. The funds are used to finance transportation projects, pay expenses incurred to issue the debentures and payments of rebate, penalty, interest and other obligations relating to the debentures or the proceeds. The fund does not receive state general fund appropriations that are subject to reversions.

2006A GRIP Bond Project Fund (Fund #10210). The bond project fund was created due to the issuance of the September 2006 \$150,000,000 Revenue Bond Series 2006A. The 2006A Bonds were issued to provide funds for certain transportation projects authorized by the Legislature that the New Mexico Department of Transportation has deemed necessary or desirable as part of the GRIP transportation projects. The fund does not receive state general fund appropriations that are subject to reversion.

2006B GRIP Bond Project Fund (Fund #10230). The bond project fund was created due to the issuance of the September 2006 \$40,085,000 of State Transportation, Series 2006B Refunding Revenue Bonds. The series 2006B Bonds were issued to provide funds to refund and restructure certain outstanding bonds of the State Transportation Commission.

2006C GRIP Bond Project Fund (Fund #10250). The bond project fund was created due to the issuance of the September 2006 \$220,000,000 of State Transportation, Series 2006C Revenue Bonds. The series 2006C Bonds were issued as adjustable rate securities and were issued to provide funds for certain transportation projects authorized by the Legislature that the New Mexico Department of Transportation has determined to be necessary or desirable as part of the GRIP transportation projects. The fund does not receive state general fund appropriations that are subject to reversion.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Measurement Focus, Basis of Accounting and Financial Statement Presentation - continued

Special Revenue Funds – continued

2006D GRIP Bond Project Fund (Fund #10270). The bond project fund was created due to the issuance of the September 2006 \$50,400,000 of State Transportation, Series 2006D Revenue Bonds. The series 2006D Bonds were issued to provide funds for an escrow account required to be maintained by the Department pursuant to a Joint Use Agreement between the Department and the BNSF Contingent Liability Fund. The fund does not receive state general fund appropriations that are subject to reversion.

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. Debt service requirements are met through the monthly transfer of vehicle and gasoline tax revenues from the State Road Fund. The Department may transfer interest earned on the other bond issues to their respective debt service funds. These funds do not receive state general fund appropriations that are subject to reversion.

1998A WIPP Bond Debt Service Fund (Fund #97200). The fund was created when the \$100,000,000 New Mexico State Highway Commission Subordinate Lien Tax Revenue Highway Bond Series 1998B were issued in October 1998.

1998A CHAT Bond Debt Service Fund (Fund #54800). The fund was created when the \$105,000,000 New Mexico State Highway Commission Senior Subordinate Lien Tax Revenue Bonds Series 1998A were issued in October 1998.

1999 CHAT Bond Debt Service Fund (Fund #43400). The fund was created when the \$100,000,000 New Mexico State Highway Commission Senior Subordinate Lien Tax Revenue Bonds Series 1999 were issued in November 1999.

2000 CHAT Bond Debt Service Fund (Fund #43200). The fund was created when the \$201,000,000 New Mexico State Highway Commission Senior Subordinate Lien Tax Revenue Bonds Series 2000A were issued in May 2001.

2001A CHAT Bond Debt Service Fund (Fund #00700). The fund was created when the \$198,800,000 New Mexico State Highway Commission Senior Subordinate Lien Tax Revenue Bonds Series 2001A were issued in March 2001.

2002A CHAT Bond Debt Service Fund (Fund #54700). The fund was created when the \$95,000,000 New Mexico State Highway Commission Senior Subordinate Lien Tax Revenue Bonds Series 2002A were issued in January 2002.

2002B WIPP Bond Debt Service Fund (Fund #75000). The fund was created when the \$79,920,000 New Mexico State Highway Commission Lien Tax Revenue Bonds Series 2002B were issued in January 2002.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Measurement Focus, Basis of Accounting and Financial Statement Presentation - continued

Debt Service Funds - continued

2002C HIF Bond Debt Service Fund (Fund #36300). The fund was created when the \$67,750,000 New Mexico State Highway Commission Infrastructure Fund Revenue Bonds Series 2002C were issued in May 2002.

2002D CHAT Bond Debt Service Fund (Fund #18700). The fund was created when the \$16,000,000 New Mexico State Highway Commission Senior Subordinate Lien Tax Revenue Bonds Series 2002D were issued in December 2002.

2004A GRIP Bond Debt Service Fund (Fund #10080). The fund was created when the \$700,000,000 New Mexico State Transportation Subordinate Lien Refunding Revenue Bond Series 2004A were issued through the New Mexico Finance Authority in 2004.

2004B GRIP Bond Debt Service Fund (Fund #10090). The fund was created when the \$237,950,000 and \$200,000,000 New Mexico State Transportation Subordinate Lien Refunding Revenue Bonds Series 2004B and Series 2004C were issued through the New Mexico Finance Authority in May 2004. The 2004C Revenue Bond was refunded in 2008 by the 2008A and 2008C Refunding Revenue Bonds.

2006A GRIP Bond Debt Service Fund (Fund #10220). The fund was created when the \$150,000,000 New Mexico State Highway Commission Revenue Bonds Series 2006A were issued in September 2006.

2006B GRIP Bond Debt Service Fund (Fund #10240). The fund was created when the \$40,085,000 New Mexico State Highway Commission Revenue Bonds Series 2006B were issued in September 2006.

2008A GRIP Bond Debt Service Fund (Fund #10410). The fund was created when the \$115,200,000 New Mexico State Transportation Commission Revenue Bonds Series 2008A were issued in April 2008 to refund certain outstanding bonds of the NMFA which were issued for the purpose of financing projects administered by the New Mexico Department of Transportation.

2008B GRIP Bond Debt Service Fund (Fund #10420). The fund was created when the \$220,000,000 New Mexico State Transportation Commission Revenue Bonds Series 2008B were issued in April 2008 to refund certain outstanding bonds of the NMFA which were issued for the purpose of financing projects administered by the New Mexico Department of Transportation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Measurement Focus, Basis of Accounting and Financial Statement Presentation - continued

Debt Service Funds - continued

2008C GRIP Bond Debt Service Fund (Fund #10430). The fund was created when the \$84,800,000 New Mexico State Transportation Commission Revenue Bonds Series 2008C were issued in May 2008 to refund certain outstanding bonds of the NMFA which were issued for the purpose of financing projects administered by the New Mexico Department of Transportation.

2008D GRIP Bond Debt Service Fund (Fund #10440). The fund was created when the \$50,400,000 New Mexico State Transportation Commission Revenue Bonds Series 2008D were issued in May 2008 to refund certain outstanding bonds of the NMFA which were issued for the purpose of financing projects administered by the New Mexico Department of Transportation.

2009A Bond Debt Service Fund (Fund #11130). The fund was created when the \$112,345,000 NMFA's State Transportation Senior Lien Refunding Revenue Bonds, Series 2009A were issued in November 2009 to refund portions of series 1998A, 1998B, 2001A, 2002A and 2002C.

2010A Bond Debt Service Fund (Fund #11140). The fund was created when the \$174,625,000 NMFA State Transportation Senior Lien Refunding Revenue Bonds Series 2010A were issued in October 2010 to refund a portion of a borrowing under a tax-exempt line of credit with Bank of America N.A. and finance the costs of certain State Transportation Projects for the Department.

2010B Bond Debt Service Fund (Fund #20450). The fund was created when the \$461,075,000 NMFA State Transportation Senior Lien Refunding Revenue Bonds Series 2010B were issued in October 2010 to refund portions of series 2002A, 2002C, 2002D and 2004A GRIP.

Capital Project Funds - Capital Project Funds are used to account for the purchase or construction of facilities used in the operation of the Department or other long term Department projects specifically appropriated by the state. Expenditures are incurred to build and improve the transportation system within the State of New Mexico.

Capital Projects Fund (Fund #10050). The Capital Projects Fund is used to account for the purchase or construction of facilities used in the operation of the Department. It is a non-major fund. This fund reverts to the State Road Fund upon completion of the appropriation project or appropriation period.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Measurement Focus, Basis of Accounting and Financial Statement Presentation - continued

Capital Project Funds - continued

Severance Tax Bond Appropriations Fund (Fund #10060). The Severance Tax Bond Appropriations 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. This is a capital projects fund.

General Fund Appropriations Fund (Fund #10070). The General Fund Appropriations 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 transfer of funds from the State General Fund. This fund reverts to the State General Fund upon completion of the appropriation project or upon expiration of the appropriation period. This is a capital projects fund.

STB Capital Outlay Fund (Fund #89200). 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. This is a capital projects fund. The existing Fund 10060 will be phased out.

GF Capital Outlay Fund (Fund #93100). 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 transfer of funds from the State General Fund. This fund reverts to the State General Fund upon completion of the appropriation project or upon expiration of the appropriation period. This is a capital projects fund. The existing Fund 10070 will be phased out.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Budgets and Budgetary Accounting

Per the General Appropriations Act of 2011, Chapter 179, Section 30, "For the purpose of administering the General Appropriation Act of 2011 and approving operating budgets, the state of New Mexico shall follow the modified accrual basis of accounting for governmental funds in accordance with the manual of model accounting practices issued by the department of finance and administration." The budget is adopted on the modified accrual basis of accounting except for accounts payable accrued at the end of the fiscal year that do not get paid by the statutory deadline per Section 6-10-4 NMSA 1978. Those accounts payable that do not get paid timely must be paid out of the next year's budget. 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.

The legal level of budgetary control is at the appropriation unit level at the entity-wide level, except for multiyear funds.

Interfund and Interagency Transactions

Transfers which, because of budgetary or legal restrictions, must be expended by funds other than the fund initially receiving the revenue, are recorded as operating transfers in (out) under the other financing sources (uses) category (Note 11) in the governmental fund financial statements.

Restricted Cash and Cash Equivalents

The funds deposited in the debt service funds are restricted to pay future principal and interest payments. The remaining balance of the proceeds from the sale of the debentures, bonds and the NMFA loan are also classified as restricted cash because of the limited use of these funds. Proceeds of the various bond issues are also invested through the State Treasurer's Office in securities repurchase agreements with financial institutions and a money market mutual fund that invests in U.S. Treasury securities. Cash received from the Department of Energy (for the WIPP Project fund) in advance of incurring the eligible expenditures is also reflected as restricted cash because the cash can only be used on specified road projects. Cash held in the State Infrastructure Bank is restricted for use in funding loans (Note 2).

Cash and cash equivalents, for the purpose of the cash flows, has interest in the State General Fund Investment Pool of the State Treasurer's Office.

Taxes Receivable

Taxes receivable represent the amounts due from the New Mexico Taxation and Revenue Department for the Department's June 30 fiscal year user and fuel taxes that are received by the Department after year-end. Accordingly, no allowance for uncollectible amounts is necessary. The revenue related to taxes is recorded when the underlying transaction occurs.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Accounts Receivable

Accounts receivable consists of amounts due from various entities: individuals and other state and local agencies located within the State of New Mexico for the sale of maps, brochures and other materials; and for other services performed by the Department. It is the policy of the Department to actively pursue collections of all valid accounts receivable and to comply with Article IV, Section 32 of the New Mexico Constitution that mandates that no amounts owed to the State can be exchanged, transferred, remitted, released or postponed. As a result of this policy, the Department does not write off any receivable balances and, instead, provides an allowance for uncollectible accounts. The Department has specific procedures in place for the treatment and collection of invoices past 30, 60, 90, and 120 days and, any receivables older than 120 days are moved to the allowance account at year end. A detail listing of all uncollectible accounts is maintained and uncollectible accounts are referred to the Department's legal department for possible legal collection actions. The balance of receivables deemed uncollectible through the end of FY12 was \$4,634,833 and a net total of \$544,286 was moved to the uncollectible account during the current fiscal year. A total of \$260,880 was recovered from the uncollectible account during the current fiscal year. (Note 3)

Severance Tax Bonds Proceeds Receivable

The State of New Mexico Legislature has authorized the State Board of Finance to issue and sell revenue bonds that are to be retired using future taxes levied against the extractive industries in the state. The proceeds from bonds sold are appropriated to the Department to be used for specific programs. Expenditures incurred by the Department for such programs are reimbursable from the State Board of Finance. The severance tax bonds proceeds receivable represents expenditures incurred by the Department, but not yet reimbursed by the Board of Finance (Note 4).

Notes and Loans Receivable

Loans receivable represent:

Loans to other governmental entities made by the State Infrastructure Bank. Loans are stated at their principal amount. Interest on loans is accrued based on the daily principal balance outstanding, except when a loan has been past due for 90 days. All loans are to governmental entities and secured by certain pledged revenues. The loans are being repaid in accordance with their loan agreements. Management's evaluation of the loan portfolio has determined that no allowance for uncollectible loans is required at June 30, 2012. There are no loans past due for more than 90 days as of the end of the fiscal year which require placement on non-accrual status (Note 5).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Due From the U.S. Department of Transportation

Due from the U.S. Department of Transportation represents amounts billed and unbilled in accordance with the various grant agreements. The "billed" portion represents contract expenditures incurred and billed by the Department. The "unbilled" portion represents expenditures included in accounts payable that will be billed when paid by the Department. The "excess project costs" represents costs actually incurred on a project in excess of approved amounts. The Department provides for an allowance for uncollectible accounts in excess of project costs classification. The allowance is based on an analysis of amounts that are reasonably assured of collection (Note 6). There was no allowance for FY 2012.

Due From/To Other Funds

Due from/to other funds represent amounts due from and to other funds within the Department (Note 7) and are included in the governmental fund financial statements. Inter-fund transactions are eliminated in the GAAP-basis governmental-wide financial statements.

Due to State Treasurer's Office

The amount of negative cash balances are reported in the Due to State Treasurer's Office by fund.

Due to State General Fund (Reversions)

Reversions to the State General Fund by the Department are based on the definitions of both reverting and non-reverting funds. Reversions are calculated by applying the percentage of reverting fund (to total budget for the category) to the amount unexpended for the category at fiscal year-end.

Inventory

Inventory is valued at cost using the first-in, first-out method. Special Revenue Fund inventory consists of materials used in the Department's operations.

The inventory costs are recorded as expenditures when consumed rather than when purchased. Reported inventories are equally offset in the unspendable fund balance, which indicates that it does not constitute "available spendable resources" (Note 9) even though they are a component of current assets.

Prepaid Expense - NM 44 Warranty

The warranty represents the no-fault portion of 3 categories of costs that will meet performance criteria: The pavement, which originally cost \$36,100,000, is being amortized over 20 years. At the end of fiscal year 2012 the unamortized value was \$21,660,000. The structures, which originally cost \$15,916,345 is being amortized over 11 1/2 years. At the end of fiscal year 2012 the unamortized value was \$4,844,105. The remaining amount, which originally cost \$13,564,126, is fully amortized and has no net book value after fiscal year ending June 30, 2006 when it became fully amortized.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Property Held for Resale

Property held for resale represents excess land acquired through condemnation and is recorded at its estimated fair value. The Department's management estimated the fair value based upon original cost plus inflation using the Consumer Price Index (CPI). Reported property held for resale is equally offset by the fund balance reserve, which indicates that they do not constitute "available spendable resources" even though they are a component of assets.

Capital Assets

Capital assets, which include property, plant, equipment, software in the equipment category, and infrastructure assets (which is normally immovable and of value only to the state, such as roads, streets, tunnels and similar infrastructure items), are reported in the governmental activities columns in the government-wide financial statements. The Department has no internally developed software that requires capitalization. As a result of House Bill 1074, effective date June 17, 2005, and Section 12-6-10 NMSA 1978 the State's capitalization policy threshold was changed from \$1,000 to \$5,000, requiring agencies to capitalize acquisitions greater than \$5,000. Assets purchased prior to June 17, 2005 were not removed and will continue to be depreciated. Purchased and constructed capital assets are valued at historical or estimated historical cost. The Department has not capitalized any construction period interest expense. Donated capital assets are recorded at their estimated fair value at the date of donation.

The Department records as capital assets the specific roads, tunnels and other infrastructure it owns or over which it has primary responsibility for maintenance. According to the GASB, if the Department has the primary responsibility for the asset's maintenance, then the capital asset would be recorded on its books.

An estimated historical cost of the entire infrastructure on the Department's government-wide financial statements was determined as of June 2001. The Department calculated the replacement cost as of June 30, 2001 for its entire infrastructure and then deflated the cost by use of a construction price level index maintained by the Federal Highway Administration. Accumulated depreciation at June 30, 2001 was calculated based on the estimated historical cost of the infrastructure, estimated use of the assets and using a 25 to 30-year life of the infrastructure. Current year activity is shown in Note 10 to the financial statements.

The Department follows the depreciation method to record infrastructure assets. This method requires the Department to allocate the cost of infrastructure assets over their useful lives as depreciation expense. Another allowable methodology is to use the modified approach to record infrastructure. Under this process, the Department does not record depreciation expense nor are amounts capitalized in connection with improvements to these assets, unless the improvements expand the capacity or efficiency of an asset. If this method was used, it would require the Department to: 1) commit to maintaining and preserving the assets at or above a condition level established by the Department, 2) maintain an inventory of the assets and perform periodic assessments to ensure that the condition level is being maintained, and 3) make annual estimates of the amounts that must be expended to maintain and preserve assets at the predetermined condition levels. The Department elected to use the depreciation method as it determined it could not meet the condition to maintain the infrastructure at a predetermined condition level due to an anticipated lack of future funding for maintenance. All major infrastructure has been recorded.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Capital Assets - continued

The Department records its other capital assets (buildings and machinery and equipment) at historical cost and depreciates the assets over their estimated useful lives. Capital assets acquired in the current year in the governmental funds are recorded as expenditures in the governmental fund financial statements. Depreciation expense is recorded in the government-wide financial statements.

Capital assets of the Department are depreciated on the straight-line method over the assets' estimated useful life. There is no depreciation recorded for land and right-of-way land. Generally, estimated useful lives are as follows:

Machinery and Equipment	7 - 14 years
Buildings and Other Improvements	40 years
Infrastructure	25 - 30 years

Deferred Revenue

Deferred revenue occurs when the Department receives funds before the corresponding expense or expenditure has been incurred, or all of the eligibility requirements have been met. The Department has received funds in advance of work done from the Department of Energy (DOE) for road projects and other costs relating to the Waste Isolation Pilot Plant (WIPP). Revenue is recognized when eligible expenditures are incurred for these projects and programs and all eligibility requirements are met.

Compensated Absences

The Department accounts for the accumulated vacation and sick leave on the accrual basis in accordance with GASB 16. Accrued vacation up to 240 hours is recorded in the Statement of Net Assets at 100% of the employee's hourly wage. In addition, accrued sick leave over 600 up to 720 hours less the amount classified as current is recorded in the Statement of Net Assets at 50% of the employee's hourly wage. Compensatory time is accrued at a rate of one and one-half hours for each hour of employment for which overtime compensation is required for those employees covered by the Fair Labor Standards Act (FLSA). Employees exempt from coverage by FLSA earn one hour of compensatory time for each overtime hour. The accrual for compensated absences is calculated at pay rates in effect at June 30, 2012, and includes direct and incremental salary related payments, such as the employees' share of social security taxes.

Long-Term Obligations

Premiums, Discounts and Issuance Costs - In the government-wide financial statements, long-term debt and other long-term obligations are presented in the column for governmental and business-type activities. The same is presented in the proprietary fund financial statements. Bond and note premiums and discounts, as well as issuance costs, are deferred and amortized straight line over the life of the debt. Bonds and notes payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges in other assets and also amortized straight line over the term of the related debt.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Long-Term Obligations - continued

In the governmental fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources, while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as other expenditures.

Arbitrage Rebate Liability - Any arbitrage rebate is recorded as a liability when it is determined to be owed to the Internal Revenue Service.

Net Assets

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

Investments in Capital Assets - is intended to reflect the portion of net assets which is associated with non-liquid capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost.

Restricted Assets - are liquid assets (generated from revenues and not bond proceeds), which have third-party (statutory or granting agency) limitation on their use. When there is an option, the Department spends restricted resources first.

Unrestricted Assets - are all other net assets that do not meet the definition of "restricted assets" or "investments in capital assets".

Encumbrances

With the General Appropriations Act of 2011, Chapter 179, Section 30 establishing the modified accrual basis of accounting for governmental funds as the budgetary basis of accounting for the state of New Mexico, encumbrances related to single year appropriations lapse at fiscal year end. Appropriation periods for periods in excess of twelve months (multiple-year appropriations) lapse at the end of the appropriation period, the budget also lapses, and encumbrances can no longer be charged to that budget. Outstanding encumbrance balances for the Department's Severance Tax Bonds and Special Appropriations are shown in separate supplementary schedules. Significant unexpended encumbrance balances at June 30, 2012 for other multiple year appropriation periods are as follows:

2010A Bond Project Fund	10450	<u>\$ 18,714,182</u>
-------------------------	-------	----------------------

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Nonspendable Fund Balance

The 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. Nonspendable categories of fund balances are summarized below:

Inventory - This category was created to represent the portion of fund balance that are noncash assets available for expenditures in future periods.

Property Held for Resale - This category was created to represent the portion of fund balance that are long-term noncash assets available for sale.

Prepaid Expenses - This category was created to represent disbursements made that cannot be reported as expenditures in the current period for GAAP purposes.

Restricted Fund Balance

The restricted category of fund balance consists of the net financial resources that are restricted by either (a) external imposition by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposition by law through constitutional provisions or enabling legislation.

Committed Fund Balance

The committed category of fund balance consists of the net financial resources that are constrained to be used for a specific purpose as established by the highest level of decision-making authority. This fund balance also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying these contractual requirements. The Department's highest level of decision-making authority is the Legislative and Executive branches of the State of New Mexico.

Assigned Fund Balance

The assigned category of fund balance consists of the net financial resources that are constrained to be used for a specific purpose by the Department's intent but the constraint imposed does not satisfy the criteria to be classified as restricted or committed.

Unassigned Fund Balance

The unassigned category of fund balance consists of the net financial resources that are the least constrained. In the general fund, these are amounts that have not been restricted, committed or assigned to specific purposes. In other funds, they are negative fund balances that represent shortfalls which are covered by fund balances not restricted, committed or assigned to other specific purposes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Pledged Revenue

The Department has pledged future gasoline excise taxes, motor vehicle registration fees, special fuel excise taxes, vehicle transactions fees, driver's license fees, oversize/overweight permit fees, trip (mileage) taxes, weight distance taxes, leased vehicle gross receipts taxes, tire recycling fees and FHWA revenues, to repay \$1.8 billion in State Transportation Revenue and Refunding Bonds issued between 2002 and 2010. Proceeds from the bonds provided funding for various transportation projects authorized by the State Legislature and that the Department has determined to be necessary or desirable, as well as to provide funds to refund and restructure certain outstanding bonds. The bonds are payable through 2027. Annual principal and interest payments on the bonds are expected to require less than 39% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$2.3 billion. Principal and interest paid for the current year and total customer net revenues were \$68,580,000 and \$81,480,630, respectively.

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.

Eliminations

Total columns in the governmental fund financial statements are captioned "Total (Governmental Funds)" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operation or changes in financial position of the Department as a whole in conformity with generally accepted accounting principles. Eliminations of intra-fund transfers have not been made in the aggregation in the governmental fund financial statements. Due from/to other funds and intra-fund transfers have been eliminated in the government-wide financial statements.

2. CASH AND CASH EQUIVALENTS

The Department has two types of cash equivalents--those that are deposited with the State Treasurer's Office and those that are held with trustees that are managed by NMFA.

Cash equivalents on deposit with State Treasurer's Office

In June 2012, an independent expert diagnostic report revealed that the General Fund Investment Pool balances had not been reconciled at the business unit/fund level since the inception of the Statewide Human Resources, Accounting, and Management Reporting (SHARE) system in July of 2006. The diagnostic report is available in the Resources section of the Cash Control page of the New Mexico Department of Finance and Administration's website at: http://www.nmdfa.state.nm.us/Cash_Control.aspx. The document title is Current State Diagnostic of Cash Control.

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

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

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

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

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

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.

2. CASH AND CASH EQUIVALENTS (continued)

Cash equivalents on deposit with State Treasurer's Office (continued)

The Department is aware that the General Fund Investment Pool balances have not been reconciled at the Agency and Fund level by the Department of Finance and Administration. However, the Department has established its own internal reconciliation policies and procedures to mitigate the risk that our cash balances would be misstated as of June 30, 2012. The Department is confident that our reconciliation process ensures all incoming and outgoing cash transactions are properly identified and that they are timely and accurately recorded in the financial system. Deposit transactions originated by our agency are validated and verified to source documents to ensure for accuracy and compliance before they are recorded in the financial system. Recording is not final until approved by the State Treasurer's Office who compares the recorded transactions against validated bank deposit slips provided to them by the State's Fiscal Agent Bank. Our agency then compares all deposits to financial system cash transaction and general ledger reports to ensure they have been properly and thoroughly recorded. Similarly, incoming wire cash transfers and operating cash transfers originating outside our agency and received by the State's Fiscal Agent Bank are identified, reviewed and verified to ensure they are properly authorized, recorded, reported and reconciled to source documents. All outgoing cash transactions are pre-audited for compliance, accuracy and authority before they are approved, paid and recorded in the financial system. These transactions are then verified and reconciled to financial system cash transaction and general ledger reports to ensure they have been properly and thoroughly recorded. Finally, cash management is vital to the Department's daily operations and our agency's CFO monitors cash on an ongoing basis and performs analytical reviews for reasonableness, expected results and trends. Unusual balances and activities are researched and resolved to ensure the accuracy and integrity of our cash balances.

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

General Fund Investment Pool	<u>\$ 285,296,498</u>
------------------------------	-----------------------

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

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

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

The reconciled balances at June 30, 2012, are as follows:

	Fund Number	Amount (+)	Amount (-)
Cash:			
<i>Unrestricted</i>	20100	\$ 2,600	
Balance Sheet - Governmental Funds Cash, Unrestricted and Statement of Net Assets Cash, Unrestricted		\$ 2,600	

2. CASH AND CASH EQUIVALENTS (continued)

	<u>Fund Number</u>	<u>Amount (+)</u>	<u>Amount (-)</u>
Cash Equivalents:			
<i>Restricted:</i>			
2001A CHAT Bond Project Fund	00600	\$ 4,723,273	\$ -
2001A CHAT Bond Debt Service Fund	00700	234,030	-
Traffic Safety Fund(s)	10010, 10020, 20600, 20700, 20800, 82600	9,572,636	-
Federal Planning and Development	10030	-	1,973,178
State Road Fund(s)	10040, 10140, 20100, 82000	155,182,564	10,830,639
Capital Projects Fund	10050	8,935,291	-
STB Appropriations Fund	10060	-	4,377,630
General Fund Appropriations	10070	851,475	-
2006A GRIP Bond Project Fund	10210	362,806	-
2006B GRIP Bond Project Fund	10230	49,671	-
2010A Bond Project Fund	10450	14,945,051	-
2002D CHAT Bond Project Fund	11500	637,756	-
2002D CHAT Bond Debt Service Fund	18700	12,823	-
HIF Bond Fund	20200	11,929,462	-
Local Government Road Fund	20300	20,926,848	-
2004A GRIP Bond Project Fund	20400	647,758	-
State Aviation Fund	20500	14,939,709	-
2002C HIF Bond Project Fund	36100	1,305,441	-
2002C HIF Bond Debt Service Fund	36300	62,296	-
1993 Bond Project Fund	39400	1,596,353	-
1999A CHAT Bond Project Fund	43000	2,120,048	-
WIPP Bond Project Fund	43100	14,815,874	-
2000 CHAT Bond Debt Service Fund	43200	204,303	-
1999 CHAT Bond Debt Service Fund	43400	266,496	-
2002A CHAT Bond Debt Service Fund	54700	83,662	-
1998A CHAT Bond Debt Service Fund	54800	141,739	-
2002B WIPP Bond Debt Service Fund	75000	111,037	-
ARRA Project Fund	89000	-	2,421,186

2. CASH AND CASH EQUIVALENTS (continued)

	Fund Number	Amount (+)	Amount (-)
STB Capital Outlay Fund	89200	-	29,316
GF Capital Outlay	93100	424,259	-
1998A WIPP Bond Debt Service Fund	97200	14,525	-
Balance Sheet - Governmental Funds Cash Equivalents, Restricted		265,097,186	
State Infrastructure Bank:			
Restricted Cash Equivalents	89300	20,199,312	
Statement of Net Assets Cash Equivalents, Restricted		\$ 285,296,498	
Balance Sheet-Governmental Funds and Statement of Net Assets included in Due to Other Agencies (See Note 12)			\$ 19,631,949

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, 2012.

Cash equivalents managed by New Mexico Finance Authority

Money market funds are managed by New Mexico Finance Authority (fiscal agent) and held by State Treasurer authorized bank accounts at Bank of Albuquerque and Bank of New York as trustees and paying agents for Department. The sources of funds are bond proceeds and other debt service requirements. These funds are invested in short-term money market accounts that invest in U.S. Treasury obligations and repurchase agreements collateralized by U.S. Treasury obligations in accordance with state law. The trustees are also permitted to purchase U.S. Treasury obligations.

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of failure of the counterparty, the Department will not be able to recover the value of its collateral securities that are in the possession of an outside party. All are fully collateralized and the collateral is held in the Department's name.

Credit Risk. The Authority's investments shall be in accordance with State Law, 6-10-10 and 6-10-10.1 NMSA 1978, including but not limited to the following: Treasury Bills, Notes, Bonds, Strips and U.S. Government.

Concentration of Credit Risk. Concentration of credit risk is defined as investments of more than 5% in any one issuer. The Department is not susceptible to concentration of credit risk.

2. CASH AND CASH EQUIVALENTS (continued)

Interest Rate Risk. Interest rate risk is the risk that interest rate fluctuations may adversely affect an investment's fair value. The prices of securities fluctuate with market interest rates and the value of securities held in a collateral portfolio will decline if market interest rates rise. In this event, the financial institution is required to provide additional collateral necessary to comply with New Mexico State Statute. Therefore, funds are not susceptible to interest rate risk as they are all fully collateralized.

	Fund Number	Amount
Cash Equivalents:		
<i>Managed by NMFA:</i>		
2001A CHAT Bond Debt Service Fund	00700	\$ 40
State Road Fund(s)	10040, 10140, 20100, 82000	76,098
2004A GRIP Bond Debt Service Fund	10080	509,821
2004B GRIP Bond Debt Service Fund	10090	43,925,329
2006A GRIP Bond Project Fund	10210	162,234
2006A GRIP Bond Debt Service Fund	10220	33,844
2006B GRIP Bond Project Fund	10230	10,382
2006B GRIP Bond Debt Service Fund	10240	639,761
2006C GRIP Bond Project Fund	10250	179,095
2006D GRIP Bond Project Fund	10270	50,004,491
2008A GRIP Bond Debt Service Fund	10410	9,800,912
2008B GRIP Bond Debt Service Fund	10420	32,335,088
2008C GRIP Bond Debt Service Fund	10430	5,289,361
2008D GRIP Bond Debt Service Fund	10440	3,189,044
2010A Bond Project Fund	10450	55,087,524
2009A Bond Debt Service Fund	11130	47,582
2010A/LOC Bond Debt Service Fund	11140	44,238
2002D CHAT Bond Debt Service Fund	18700	19,867
2004A GRIP Bond Project Fund	20400	108,988
2010B GRIP Bond Debt Service Fund	20450	203,934
2002C HIF Bond Debt Service Fund	36300	50
2000 CHAT Bond Debt Service Fund	43200	29
1999 CHAT Bond Debt Service Fund	43400	18
2002A CHAT Bond Debt Service Fund	54700	17
1998A CHAT Bond Debt Service Fund	54800	2
2002B WIPP Bond Debt Service Fund	75000	17
1998A WIPP Bond Debt Service Fund	97200	5
		\$ 201,667,771

**Balance Sheet - Governmental Funds and Statement of
Net Assets Cash Equivalents, Managed by NMFA**

3. ACCOUNTS RECEIVABLE

The aging of accounts receivable as of June 30, 2012 is as follows:

<u>Number of Days Outstanding</u>				
0 - 30		\$	536,461	
31 - 60			3,178	
61 - 120			8,679	
Beyond 120			7,146,034	
			<u>7,694,352</u>	
Allowance for uncollectible accounts			(4,634,833)	
			<u><u>\$ 3,059,519</u></u>	

4. SEVERANCE TAX BOND PROCEEDS RECEIVABLE

Severance tax bonds proceeds receivable as of June 30, 2012, appropriated to the Department, were held by the State Board of Finance to reimburse expenditures incurred by the Department. The activity of this account is as follows:

Balance, beginning of year	\$ 78,067,034
Sale and reauthorization of severance tax bonds	(8,932,854)
Funding from the State Board of Finance	(45,822,731)
Reversion to the State Board of Finance	<u>(1,050,804)</u>
Balance, end of year	<u><u>\$ 22,260,645</u></u>

The funding for the year ended June 30, 2012 was received under the Laws of 2007, Chapter 3; Laws of 2008, Chapters 2 and 92; Laws of 2009, Chapters 5, 7, and 128; Laws of 2010, Chapter 105; Laws of 2011, Chapter 183; and Laws of 2012, Chapter 63, for projects completed.

The State of New Mexico Legislature has authorized the State Board of Finance to issue and sell revenue bonds that are to be retired using future taxes levied against the extractive industries in the state. The proceeds from bonds sold are appropriated to the Department to be used for specific programs and are recorded as revenues by the Department. Expenditures incurred by the Department for such programs are reimbursable from the State Board of Finance. The severance tax bonds proceeds receivable represents the amounts due and available from the State Board of Finance as of year-end.

Receivable at year end (Note 8)	<u><u>\$ 4,564,592</u></u>
---------------------------------	----------------------------

5. NOTES AND LOANS RECEIVABLE

Notes receivable as of June 30, 2012 consist of the following:

A note receivable from a private entity, non-interest bearing, in accordance with federal statutes, collateralized by various property.	\$ <u>6,397</u>
---	-----------------

Loans receivable funded by the SIB consist of the following:

Albuquerque Metropolitan Arroyo Flood Control Authority (AMAFCA), including interest at 1.5%, due during the 2012 federal fiscal year, secured by federal highway revenue.	\$ <u>669,814</u>
--	-------------------

6. DUE FROM U.S. DEPARTMENT OF TRANSPORTATION

Due from U.S. Department of Transportation (USDOT) consists of the following at June 30, 2012:

Agency

Federal Highway Administration	\$ 46,375,088
Less allowance for uncollectible amounts	<u>-</u>
Total Federal Highway Administration	46,375,088
Other USDOT Agencies	<u>7,306,859</u>
Total USDOT	<u>\$ 53,681,947</u>

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Notes to Financial Statements

7. DUE FROM AND DUE TO OTHER FUNDS

These amounts represent interfund receivables and payables arising from the interfund transactions within the Department. Due from/to other funds occur for the following reasons:

- 1) The State Road Fund pays expenditures on behalf of other funds.
- 2) Grant and other funds are recorded in the State Road Fund and then transferred to the appropriate funds.

Interfund receivables and payables as of June 30, 2012 consist of the following:

	Fund Number	Due From Other Funds	Due to Other Funds	Net (Sub-totals only)
Special Revenue Funds:				
Traffic Safety Fund(s)	10010, 10020, 20600, 20700, 20800, 82600	\$ 7,848	\$ 2,383	
Federal Planning and Development	10030	6,211	114,353	
2006A GRIP Bond Project Fund	10210	434,454	-	
State Road Fund(s)	10040, 10140, 20100, 82000	7,831,546	1,323,919	
HIF Bond Fund	20200	-	34,586	
State Aviation Fund	20500	-	16,368	
ARRA Project Fund	89000	-	276,212	
Total Special Revenue Funds		8,280,059	1,767,821	6,512,238
Debt Service Funds:				
2001A CHAT Bond Debt Service Fund	00700	1,651,520	-	
2006B GRIP Bond Debt Service Fund	10240	-	635,093	
2008AGRIP Bond Debt Service Fund	10410	-	1,370,943	
2008B GRIP Bond Debt Service Fund	10420	-	6,409,295	
2008C GRIP Bond Debt Service Fund	10430	-	1,009,166	
2008D GRIP Bond Debt Service Fund	10440	-	2,319,928	
2000 CHAT Bond Debt Service Fund	43200	1,184,452	-	
1999 CHAT Bond Debt Service Fund	43400	750,144	-	
2002A CHAT Bond Debt Service Fund	54700	690,434	-	
1998A CHAT Bond Debt Service Fund	54800	86,180	-	
2002B WIPP Bond Debt Service Fund	75000	702,644	-	
1998 WIPP Bond Debt Service Fund	97200	199,253	-	
Total Debt Service Funds		5,264,627	11,744,425	(6,479,798)
Capital Projects Funds:				
Gen. Fund Appropriations Fund	10070	37,963	70,403	
Total Capital Projects Funds		37,963	70,403	(32,440)
Total Interfund Receivables and Payables		\$ 13,582,649	\$ 13,582,649	\$ -

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Notes to Financial Statements

7. DUE FROM AND DUE TO OTHER FUNDS - continued

	Fund Number	Due From Other Funds	Due to Other Funds	Net (Sub-totals only)
Summary				
Total Special Revenue Funds - net				\$ 6,512,238
Total Debt Service Funds - net				(6,479,798)
Total Capital Projects Funds – net				<u>(32,440)</u>
Total Governmental – net				-
Total Enterprise Funds – net				-
Total All Funds				<u><u>\$ -</u></u>

8. DUE FROM OTHER AGENCIES

Fund Description	Fund Number	Sub-total	Total	Due From
State Road Fund	20100	\$ 63		EMNRD
Total reauthorizations due			<u>63</u>	
2001A CHAT Bond Project Fund	00600	970		State Treasurer's Office
2001A CHAT Bond Debt Service Fund	00700	49		State Treasurer's Office
2002D CHAT Bond Project Fund	11500	131		State Treasurer's Office
2002D CHAT Bond Debt Service Fund	18700	3		State Treasurer's Office
State Road Fund	20100	21,380		State Treasurer's Office
HIF Bond Fund	20200	2,572		State Treasurer's Office
Local Government Road Fund	20300	4,237		State Treasurer's Office
State Aviation Fund	20500	3,047		State Treasurer's Office
Motorcycle Training Fund	20600	31		State Treasurer's Office
Traffic Safety Fund	20800	320		State Treasurer's Office
2002C HIF Bond Project Fund	36100	268		State Treasurer's Office
2002C HIF Bond Debt Service Fund	36300	23		State Treasurer's Office
1993 Bond Project Fund	39400	328		State Treasurer's Office
1999A CHAT Bond Project Fund	43000	435		State Treasurer's Office
WIPP Bond Project Fund	43100	3,234		State Treasurer's Office
2000 CHAT Bond Debt Service Fund	43200	41		State Treasurer's Office

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Notes to Financial Statements

8. DUE FROM OTHER AGENCIES - continued

Fund Description	Fund Number	Sub-total	Total	Due From
1999 CHAT Bond Debt Service Fund	43400	55		State Treasurer's Office
2002A CHAT Bond Debt Service Fund	54700	16		State Treasurer's Office
1998A CHAT Bond Debt Service Fund	54800	30		State Treasurer's Office
2002B WIPP Bond Debt Service Fund	75000	23		State Treasurer's Office
1998A WIPP Bond Debt Service Fund	97200	2		State Treasurer's Office
Total accrued interest due			37,195	
STB Appropriations Fund	10060	4,535,276		DFA Board of Finance
STB Capital Outlay Fund	89200	29,316		DFA Board of Finance
Total reimbursement due			4,564,592	
Total due from other agencies--government funds only			4,601,850	
SIB Interest accrued from Local Gov't Investment Pool			4,145	
Total due from other agencies--government wide only			<u>\$ 4,605,995</u>	

9. INVENTORY

Inventory as of June 30, 2012 consists of the following:

Highway maintenance materials stockpiled	\$ 6,846,300
Repair Parts and expendable supplies	5,440,640
Fuel, oil and lubricants	973,485
	<u>\$ 13,260,425</u>

THIS PAGE INTENTIONALLY LEFT BLANK

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Notes to Financial Statements

10. CAPITAL ASSETS

A summary of changes in capital assets for fiscal year ended June 30, 2012 follows:

	Beginning Balance	Adjustments &		
	June 30, 2011	Additions	Transfers	Retirements
Non-depreciable assets:				
Construction in Progress	\$ 138,315,764	\$ 409,741,748	\$ 1,054,349	\$ -
Rail System Infrastructure - Right of Way	77,252,100	-	-	-
Land	5,203,234	28,500	-	(54,690)
Right of Way	404,805,609	-	31,670	-
Total non-depreciable assets	625,576,707	409,770,248	1,086,019	(54,690)
Depreciable assets:				
Infrastructure	14,834,612,699	-	-	(478,482,681)
Automotive and Major Road Fund Equipment	199,045,213	10,153,162	178,598	(3,560,322)
Rail System Infrastructure	363,494,084	-	-	-
Buildings	45,966,744	1,114,257	(1,043,660)	(214,050)
Equipment and furniture	30,059,620	1,385,009	247,663	(1,238,976)
Library	102,614	-	-	-
Total depreciable assets	15,473,280,974	12,652,428	(617,399)	(483,496,029)
Total Assets	16,098,857,681	422,422,676	468,620	(483,550,719)
Less Accumulated Depreciation:				
Infrastructure	(8,849,228,998)	(584,209,339)	-	478,482,681
Automotive and Major Road Fund Equipment	(144,337,939)	(10,007,978)	(96,089)	3,408,296
Rail System Infrastructure	(46,769,178)	(14,710,748)	-	-
Buildings	(26,435,665)	(804,265)	857	103,962
Equipment and furniture	(23,878,879)	(1,740,077)	(106,072)	1,216,767
Library	(102,614)	-	-	-
Total Accumulated Depreciation	(9,090,753,273)	(611,472,407)	(201,304)	483,211,706
Net Total	\$ 7,008,104,408	\$ (189,049,731)	\$ 267,316	\$ (339,013)

There were no software costs to capitalize as of year-end. Depreciation and amortization was allocated to the following functions:

Depreciation:	
Programs and infrastructure	\$ 584,209,340
Transportation and highway operations	14,710,748
Program support	12,552,319
	<u>611,472,407</u>
Amortization	4,088,174
Total depreciation and amortization	<u>\$ 615,560,581</u>

10. CAPITAL ASSETS (continued)

CIP Reclassifications	Ending Balance June 30, 2012
\$ (355,281,234)	\$ 193,830,627
-	77,252,100
-	5,177,044
3,211,106	408,048,385
(352,070,128)	684,308,156
347,795,533	14,703,925,551
-	205,816,651
4,274,595	367,768,679
-	45,823,291
-	30,453,316
-	102,614
352,070,128	15,353,890,102
-	16,038,198,258
-	(8,954,955,656)
-	(151,033,710)
-	(61,479,926)
-	(27,135,111)
-	(24,508,261)
-	(102,614)
-	(9,219,215,278)
\$ -	\$ 6,818,982,980

11. OPERATING TRANSFERS

Transfers within the Agency:

	State Road Fund(s) (Multi)	General Fund Appropriations (SHARE 10070)	2010A Bond Project Fund (SHARE 10450)	2010A/LOC Bond Debt Service Fund (SHARE 11140)	HIF Bond Fund (SHARE 20200)	2004A GRIP Bond Project Fund (SHARE 20400)
(1)	\$ (61,424)	\$ -	\$ -	\$ -	\$ (296,180)	\$ -
(2)	-	-	-	-	-	-
(3)	-	-	-	-	-	-
(4)	-	-	-	-	-	-
(5)	-	-	-	-	-	-
(6)	-	-	-	(24)	-	-
(7)	-	-	-	-	-	(38)
	<u>\$ (61,424)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (24)</u>	<u>\$ (296,180)</u>	<u>\$ (38)</u>

- (1) Transfer from the State Road Fund to the Non-GRIP Debt Service Funds for debt repayments
- (2) Transfer from 2004B interest earnings to offset interest costs in 2008A and 2008C
- (3) Transfer to correct allocation of expenditures
- (4) Transfer of BNSF interest earnings to 2008D
- (5) Transfer of SHARED Tax exempt Acquisition Fund to 2006A and 2006B Debt Service Funds
- (6) Transfer of balance in Tax exempt LOC to SHARED trustee accounts
- (7) Transfer of 2004A Acquisition account interest earnings to 2004A Debt Service Fund

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Notes to Financial Statements

11. OPERATING TRANSFERS - continued

	2006A GRIP Bond Project Fund (SHARE 10210)	2006B GRIP Bond Project Fund SHARE (10230)	2006C GRIP Bond Project Fund (SHARE 10250)	2006D GRIP Bond Project Fund (SHARE 10270)	GF Capital Outlay (SHARE 93100)	2002A CHAT Bond Debt Service Fund (SHARE 54700)
(1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(2)	-	-	-	-	-	-
(3)	(1,527,001)	83,686	1,443,315	-	-	-
(4)	-	-	-	(19,661)	-	-
(5)	(68)	-	(68)	-	-	-
(6)	-	-	-	-	-	-
(7)	-	-	-	-	-	-
	\$ (1,527,069)	\$ 83,686	\$ 1,443,247	\$ (19,661)	\$ -	\$ -

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Notes to Financial Statements

11. OPERATING TRANSFERS - continued

	2002C HIF	2002D CHAT	2004A GRIP	2004B GRIP	2006A GRIP	2006B GRIP
	Bond Debt	Bond Debt	Bond Debt	Bond Debt	Bond Debt	Bond Debt
	Service Fund	Service Fund	Service Fund	Service Fund	Service Fund	Service Fund
	(SHARE 36300)	(SHARE 18700)	(SHARE 10080)	(SHARE 10090)	(SHARE 10220)	(SHARE 10240)
(1)	\$ 296,180	\$ 61,425	\$ -	\$ -	\$ -	\$ -
(2)	-	-	-	(2,228,766)	-	-
(3)	-	-	-	-	-	-
(4)	-	-	-	-	-	-
(5)	-	-	-	-	68	68
(6)	-	-	-	-	-	-
(7)	-	-	38	-	-	-
	\$ 296,180	\$ 61,425	\$ 38	\$ (2,228,766)	\$ 68	\$ 68

- (1) Transfer from the State Road Fund to the Non-GRIP Debt Service Funds for debt repayments
- (2) Transfer from 2004B interest earnings to offset interest costs in 2008A and 2008C
- (3) Transfer to correct allocation of expenditures
- (4) Transfer of BNSF interest earnings to 2008D
- (5) Transfer of SHARED Tax exempt Acquisition Fund to 2006A and 2006B Debt Service Funds
- (6) Transfer of balance in Tax exempt LOC to SHARED trustee accounts
- (7) Transfer of 2004A Acquisition account interest earnings to 2004A Debt Service Fund

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Notes to Financial Statements

11. OPERATING TRANSFERS - continued

	2008A GRIP Bond Debt Service Fund (SHARE 10410)	2008B GRIP Bond Debt Service Fund (SHARE 10420)	2008C GRIP Bond Debt Service Fund (SHARE 10430)	2008D GRIP Bond Debt Service Fund (SHARE 10440)	2010B Bond Debt Service (SHARE 20450)	Total All Pages Netting Funds Only
(1)	\$ -	\$ -	\$ (1)	\$ -	\$ -	\$ -
(2)	1,283,769	-	944,997	-	-	-
(3)	-	-	-	-	-	-
(4)	-	-	-	19,661	-	-
(5)	-	-	-	-	-	-
(6)	4	17	3	-	-	-
(7)	-	-	-	-	-	-
	\$ 1,283,773	\$ 17	\$ 944,999	\$ 19,661	\$ -	\$ -

11. OPERATING TRANSFERS - continued

Transfers outside of Agency:

	State Road Fund(s) (Multi)	General Fund Appropriations (SHARE 10070)	STB		Total all Inter-agency Transfers
			Appropriations Fund (SHARE 10060)	Ignition Interlock (SHARE 82600)	
(8)	\$ (6,846,000)	\$ -	\$ -	\$ -	\$ (6,846,000)
(9)	50,000	-	-	-	50,000
(10)	-	-	-	300,000	300,000
(11)	-	(28,109)	-	-	(28,109)
(12)	-	-	(1,050,854)	-	(1,050,854)
	<u>\$ (6,796,000)</u>	<u>\$ (28,109)</u>	<u>\$ (1,050,854)</u>	<u>\$ 300,000</u>	<u>\$ (7,574,963)</u>

- (8) Transfers made to Department of Public Safety (less reversions)
- (9) Receipt of proceeds from Department of Public Safety reverted for FY 11
- (10) Annual Transfer in from Department of Finance
- (11) Transfer(s) in (out) from other agencies due to appropriations reauthorized
- (12) Reversion that have been sent to DFA or a schedule to be Reverted in FY 13

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Notes to Financial Statements

12. DUE TO OTHER AGENCIES

Fund Description	Fund Number	Due To	Total
Federal Planning and Development	10030	Due to State Treasurer's Office	\$ 1,973,178
STB Appropriations Fund	10060	Due to State Treasurer's Office	4,377,630
STB Appropriations Fund	10060	Board of Finance	1,052,854
State Road Fund(s)	10040, 10140, 20100, 82000	Due to State Treasurer's Office	10,830,639
ARRA Project Fund	89000	Due to State Treasurer's Office	2,421,186
STB Capital Outlay Fund	89200	Due to State Treasurer's Office	29,316
Total due to other agencies			\$ 20,684,803
		Due to State Treasurer's Office	\$ 19,631,949
		Board of Finance	1,052,854
			\$ 20,684,803

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Notes to Financial Statements

13. LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended June 30, 2012:

Governmental Activities	Balance at June 30, 2011	Increase	Decrease	Ending Balance June 30, 2012	Amounts due within one year
2002C HIF Bonds	\$ 5,930,000	-	-	\$ 5,930,000	\$ 5,040,000
2002D CHAT Bonds	1,575,000	-	-	1,575,000	1,575,000
2004A GRIP Bonds	248,310,000	-	-	248,310,000	-
2004B GRIP Bonds	92,920,000	-	(29,060,000)	63,860,000	34,120,000
2006A GRIP Bonds	150,000,000	-	(240,000)	149,760,000	195,000
2006B GRIP Bonds	27,900,000	-	(1,225,000)	26,675,000	1,270,000
2008A GRIP Bonds	115,200,000	-	-	115,200,000	-
2008B GRIP Bonds	220,000,000	-	-	220,000,000	-
2008C GRIP Bonds	84,800,000	-	-	84,800,000	-
2008D GRIP Bonds	50,400,000	-	-	50,400,000	-
2009A Refunding Bonds	71,715,000	-	(22,370,000)	49,345,000	23,190,000
2010A Debt Service	174,625,000	-	(6,045,000)	168,580,000	23,120,000
2010B GRIP Bonds	461,075,000	-	(9,640,000)	451,435,000	-
Gross Debentures	1,704,450,000	-	(68,580,000)	1,635,870,000	88,510,000
Deferred amount on refunding	(82,704,893)	-	6,197,531	(76,507,362)	(6,197,531)
Net Debentures	1,621,745,107	-	(62,382,469)	1,559,362,638	82,312,469
Compensated absences payable	5,651,259	5,049,978	(4,739,242)	5,961,995	5,961,995
Total obligations	1,627,396,366	\$ 5,049,978	\$ (67,121,711)	1,565,324,633	\$ 88,274,464
Less current portion	(68,033,728)			(88,274,464)	
Net long-term obligations	<u>\$ 1,559,362,638</u>			<u>\$ 1,477,050,169</u>	

The State Road Fund (#20100) is used to liquidate other long-term liabilities, such as compensated absences and capital leases. The Department is authorized to issue bonds from time to time, payable from the proceeds of the collection of gasoline excise taxes, motor vehicle registration fees, and other fees that are required by law to be paid into the State Road Fund and not otherwise pledged solely to the payment of outstanding bonds and debentures. The total aggregate outstanding bonds issued are in accordance with the authorizing legislation for the bonds and other debt with the approval of the State Board of Finance, which includes Section 67-3-59.1 of the New Mexico Statutes Annotated (NMSA) (1978), as amended; and the Supplemental Public Securities Act constituting Sections 6-15-8 through 6-14-11 of the NMSA (1978), as amended.

13. LONG-TERM OBLIGATIONS - continued

Series 2002C HIF

The Department issued \$67,750,000 of the New Mexico State Highway Infrastructure Fund Revenue Highway Bonds (additionally secured by a Senior Subordinate Lien on Certain State Road Fund Revenues), Series 2002C, in May 2002. The gross proceeds including accrued interest to the Department were \$69,809,036 including \$2,499,411 of an original issue premium. The cost of issuance including underwriter fees was \$440,375. The bonds are special limited obligations of the State Highway Commission, payable from and secured by a senior pledge of proceeds of the collection of leased vehicle gross receipts tax revenues and tire recycling fees, in each case that are required by law to be paid into the Highway Infrastructure Fund and interest on such amounts in the Highway Infrastructure Fund. The Bonds are additionally payable from and secured by a senior subordinate pledge of proceeds of the collection of gasoline excise taxes, special fuel excise taxes, vehicle transaction taxes or fees, drivers license fees, oversize/overweight permit fees, certain Public Regulation Commission fees, trip taxes, weight distance taxes, motor vehicle registration fees, and to the extent authorized to be paid into the State Road Fund in the future, motor vehicle excise taxes, in each case that are required by law to be paid into the State Road Fund and interest on such amounts in the State Road Fund. The Series 2002C Bonds (HIF Bonds) were issued to fund projects identified by the Department and the Legislature.

In October 2010, \$7,270,000 was refunded by the 2010B Senior Lien Refunding Revenue Bonds.

Principal of the Bonds is payable on June 15. Interest, with rates ranging from 4.35% to 5.250% per annum, is payable semi-annually on June 15 and December 15 through the year 2015.

The Department's future scheduled annual requirements to amortize the Bonds, including interest payments of \$378,060, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Series 2002C HIF:			
2013	\$ 5,040,000	\$ 296,180	\$ 5,336,180
2014	-	40,940	40,940
2015	890,000	40,940	930,940
Total	<u>\$ 5,930,000</u>	<u>\$ 378,060</u>	<u>\$ 6,308,060</u>

13. LONG-TERM OBLIGATIONS - continued

Series 2002D CHAT

The Department issued \$16,000,000 of the New Mexico State Highway Commission Senior Subordinate Lien Tax Revenue Highway Bonds, Series 2002D, in December 2002. The gross proceeds to the Department were \$16,572,740 including \$699,498 of an original issue premium. The cost of issuance including underwriter fees was \$126,758. The Bonds are special limited obligations of the State Highway Commission, payable solely from and secured by a senior subordinate pledge of proceeds of the collection of gasoline excise taxes, special fuel excise taxes, vehicle transaction taxes or fees, drivers license fees, oversize/overweight permit fees, certain Public Regulation Commission fees, trip taxes, weight distance taxes, motor vehicle registration fees, and to the extent authorized to be paid into the State Road Fund in the future, motor vehicle excise taxes, in each case that are required by law to be paid into the State Road Fund and interest on such amounts in the State Road Fund. The Series 2002D Bonds (CHAT Bonds) were issued to fund projects identified by the Department and the Legislature.

In October 2010, \$1,635,000 was refunded by the 2010B Senior Lien Refunding Revenue Bonds.

Principal of the bonds is payable as follows on June 15. Interest 3.9% per annum, is payable semi-annually on June 15 and December 15 through the year 2013. Principal and interest due in 2013 is \$1,575,000 and \$61,425.

13. LONG-TERM OBLIGATIONS - continued

Series 2004A GRIP

The Department issued \$700,000,000 through the New Mexico Finance Authority's (NMFA) State Transportation Revenue Bonds (Senior Lien), Series 2004A, in May 2004. The gross proceeds to the Department were \$738,787,815, including \$43,556,815 of an original issue premium. The cost of issuance including underwriter fees was \$6,368,367. The Bonds are special limited obligations of the Department, together with additional bonds hereafter issued, solely from and secured by federal funds not otherwise obligated that are paid into the State Road Fund, proceeds of the collection of taxes and fees that are required to be paid into the State Road Fund and not otherwise pledged exclusively to the payment of outstanding bonds and debentures, and taxes and fees required by law to be paid into the Highway Infrastructure Fund. The Series 2004A Bonds were issued to provide funds for certain transportation projects authorized by the State Legislature and that the Department has determined to be necessary or desirable.

The Department is responsible for the NMFA issuance costs and must annually pay the NMFA 25 basis points on the outstanding principal balance. Principal of the Bonds is payable as follows on June 15. Interest, with rates ranging from 3.8% to 5.25% per annum, is payable semi-annually on June 15 and December 15 through the year 2024.

In October 2010, \$451,690,000 was refunded by the 2010B Senior Lien Refunding Revenue Bonds.

The Department's future scheduled annual requirements to amortize the Bonds, including interest payments of \$76,105,880, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Series 2004A GRIP:			
2013	\$ -	\$ 12,686,840	\$ 12,686,840
2014	19,360,000	12,686,840	32,046,840
2015	61,305,000	11,739,960	73,044,960
2016	65,045,000	8,522,073	73,567,073
2017	350,000	5,107,210	5,457,210
2018-2022	100,705,000	25,240,182	125,945,182
2023-2027	1,545,000	122,775	1,667,775
	<u>1,545,000</u>	<u>122,775</u>	<u>1,667,775</u>
Total	<u>\$ 248,310,000</u>	<u>\$ 76,105,880</u>	<u>\$ 324,415,880</u>

13. LONG-TERM OBLIGATIONS - continued

Series 2004B GRIP

The Department issued \$237,950,000 of bonds through the New Mexico Finance Authority's (NMFA) State Transportation Refunding Revenue Bonds (Subordinate Lien), Series 2004B, in May 2004. The gross proceeds to the Department were \$254,1297,187, including \$16,347,187 of an original issue premium. The cost of issuance including underwriter fees was \$2,196,442.

The Series 2004B Bonds are special limited obligations of the Department, together with additional bonds hereafter issued, solely from and secured by federal funds not otherwise obligated that are paid into the State Road Fund, proceeds of the collection of taxes and fees that are required to be paid into the State Road Fund and not otherwise pledged exclusively to the payment of outstanding bonds and debentures, and taxes and fees required by law to be paid into the Highway Infrastructure Fund. The bonds were issued through the NMFA at the direction of the State Transportation Commission of the State of New Mexico to provide funds to refund and restructure certain outstanding bonds of the NMFA and the Commission.

Principal of the Bonds is payable as follows on June 15. Interest, with rates ranging from 2.0% to 5.0% per annum, is payable semi-annually on June 15 and December 15 through the year 2014.

The Department's future scheduled annual requirements to amortize the Bonds, including interest payments of \$4,670,200, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Series 2004B GRIP:			
2013	\$ 34,120,000	\$ 3,186,800	\$ 37,306,800
2014	29,740,000	1,483,400	31,223,400
Total	<u>\$ 63,860,000</u>	<u>\$ 4,670,200</u>	<u>\$ 68,530,200</u>

13. LONG-TERM OBLIGATIONS - continued

Refundings

NMFA, on behalf of the Department, has issued multiple series of refunding bonds in prior years to advance refund certain older debt issues of the Department. The net proceeds of those issuances less any new amounts borrowed plus, at times, additional funds provided by the Department, were used to purchase U. S. Governmental securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the older debt issues. As a result, the advance refundings of the older debt are considered to be defeased and the liability for those bonds has been removed from long-term obligations. The bonds outstanding of \$1,456,420,000 were considered defeased as of June 30, 2012.

The cumulative deferred amount on the refundings of \$76,507,362, recorded, as a reduction of the Department's long-term obligation, is the difference between the reacquisition price (funds required to refund the old debt including call provisions) and the net carrying amount of the old debt, including unamortized old bond issuance costs. The deferred amount on the refunding is recorded to the government-wide financial statements and is required to be amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter.

Derivative Instruments

At the time of the 2004 GRIP bond issuance, NMFA, on behalf of the Department, entered into interest rate exchange agreements ("swaps") with respect both to the adjustable rate bonds then issued and the adjustable rate bonds anticipated to be issued in 2006. All of the 2004 adjustable rate bonds were hedged at issuance with immediately-starting swaps and approximately one-half of the anticipated total 2006 issuance was hedged with forward-starting swaps that became effective in 2006.

In all of the swaps, NMFA, on behalf of the Department, receives a variable-interest rate payment based on an index, and makes a fixed-rate interest payment. This arrangement has the effect of converting the variable rate bonds to "synthetic fixed-rate" issues.

As in the case of the GRIP bonds, NMFA has entered into the swaps as an agent for the Department. These swap agreements remained in effect following the 2008 refunding and reissuance of the 2004 and 2006 adjustable rate bonds as Variable Rate Demand Notes (the 2008A through D series).

Objectives of the Swaps

The objective in entering into the swap agreements was to obtain a lower interest cost for the 2004 bonds than could have been obtained at the time had they been issued as fixed-rate bonds. With respect to the planned 2006, issuance, NMFA believed in 2004 that it would be desirable to "lock in" a synthetic fixed rate of 5% or less for a portion of the bonds anticipated to be issued in 2006.

13. LONG-TERM OBLIGATIONS - continued

Significant Terms

2004 Swaps:

<u>Counterparty</u>	<u>Royal Bank of Canada</u>	<u>Goldman Sachs</u>	<u>Deutsche Bank</u>
Notional Amount	\$100,000,000	\$50,000,000	\$50,000,000
Receipt Rate	68 % of 1 month LIBOR	68 % of 1 month LIBOR	68 % of 1 month LIBOR
Payment Rate (Syn- thetic Fixed Rate)	3.934%	3.934%	3.934%
Embedded Option(s)	None	None	None
Effective Date	May 20, 2004	May 20, 2004	May 20, 2004
Termination Date:	June 15, 2024	June 15, 2024	June 15, 2024

2006 Forward Starting Swaps:

<u>Counterparty</u>	<u>JP Morgan Chase Bank</u>	<u>UBS AG</u>
Notional Amount	\$110,000,000	\$110,000,000
Receipt Rate	SIFMA Municipal Swap Index	SIFMA Municipal Swap Index
Payment Rate	5.072%	5.072%
Embedded Option(s)	“Knockout” option – Counterparty may cancel if the index remains above 7% for more than 180 days	“Knockout” option – Counterparty may cancel if the index remains above 7% for more than 180 days
Option premium to NMFA	0.34%	0.34%
Net payment rate (“Synthetic Fixed Rate”), equals the payment rate less option premium	4.732%	4.732%
Effective Date	December 15, 2006	December 15, 2006
Termination Date:	December 15, 2026	December 15, 2026

No cash was paid or received at the initiation of any of the above swaps.

13. LONG-TERM OBLIGATIONS - continued

Fair Value

The estimated fair value of the swaps at June 30, 2012 was as follows:

<u>Counterparty</u>	<u>Notional Value</u>	<u>Fair Value *</u>
Goldman Sachs	\$ 50,000,000	\$ (14,188,118)
Deutsche	50,000,000	(14,188,118)
Royal Bank of Canada	100,000,000	(28,376,237)
JPMorgan Chase Bank	110,000,000	(40,164,781)
UBS AG	110,000,000	(40,164,781)
	<u>\$ 420,000,000</u>	<u>\$ (137,082,035)</u>

* The Fair Value is the estimated amount that would have been received by or paid by the Department if the agreements had been terminated at June 30, 2012 under the terms of the agreement. This value is the net present value of the receipts and payments anticipated to be made pursuant to the agreements. The net present values are calculated based on discount rates indicated by actual swap transactions that occurred on or around June 30, 2012. Negative amounts indicate payments that would have been made by the Department to the counterparties.

These swaps have been deemed a hedge, and as such, the total amount entered as a liability for the year ended June 30, 2012 was \$137,082,035 with an offsetting entry classified as a deferred cash outflow.

Associated Debt

Variable Rate Debt*	Par Value	<u>2012 Debt Service</u>		Net Variable Made (Received)	Total Net Interest Paid	Effective Interest Rate
		Principal	Fixed Interest			
Series 2008A and C	\$ 200,000,000	\$ -	\$ 7,868,000	\$ 1,067,585	\$ 8,935,585	4.468%
Series 2008B	220,000,000	-	11,158,400	24,478	11,182,878	5.083%

* The interest and swap payments for these bonds include the payments for the 2004 and 2006 Series bonds that that the 2008 series bonds replaced during the prior fiscal year.

The interest includes amounts paid within the fiscal year without regard to the costs associated with the swap collateral (Taxable) Line of Credit.

13. LONG-TERM OBLIGATIONS - continued

Risks

Credit Risk. Credit risk is the possibility that a counterparty will not fulfill its obligations.

The credit ratings of the counterparties, at June 30, 2012, were:

	<u>Moody's</u>	<u>S&P</u>	<u>Fitch</u>
Royal Bank of Canada	Aa3	AA-	AA
Goldman Sachs	Aa2	AAA	N/A
Deutsche Bank	A2	A+	A+
JP Morgan Chase	Aa3	A+	A+
UBS AG	A2	A	A

Presently, the Department has no exposure to loss with respect to the counterparties, as the termination values of the swaps are negative. That is, no amounts would be owed to the Department if any swaps were terminated at present. Each swap agreement contains provisions requiring the posting of collateral in the event that termination values exceed certain amounts. Termination values currently exceeded these limits, and, accordingly, collateral was posted for \$15,720,000 at UBS on 6/4/2012, \$11,200,000 on 6/4/2012 at RBC and \$14,440,000 on 6/4/2012 at JP Morgan. The swap agreements permit the netting of amounts owed between the Department and a counterparty, mitigating, to some extent, the level of credit risk. The Department believes it has an adequate degree of diversification with regard to counterparties.

Swap Collateral Requirements – Taxable Line of Credit

Negative balances at the end of the fiscal year were such that collateral needed to be posted. For that purpose a short-term Taxable Line of Credit was established. There was \$35,000,000 outstanding on the line of credit at the end of the fiscal year, with \$45,000,000 borrowed and \$10,000,000 repaid during the year.

SHARE fund 10410 - 2008A GRIP Bond Debt Service Fund	\$ 5,459,187
SHARE fund 10420 - 2008B GRIP Bond Debt Service Fund	25,522,244
SHARE fund 10430 - 2008C GRIP Bond Debt Service Fund	4,018,569
Total Short-term Notes Payable (Taxable Line of Credit)	<u>\$ 35,000,000</u>

Interest Rate Risk.

The knock-out option in the 2006 swaps leaves the Department open to interest rate risk. If the SIFMA municipal swap index averages above 7% for 180 consecutive days, then, as provided by the terms of the knockout option, swap agreements could be cancelled by the counterparties and the Department would have outstanding unhedged variable rate debt in a 7% interest rate environment.

13. LONG-TERM OBLIGATIONS - continued

Basis Risk.

Basis risk is the possibility that the variable rate paid on the bonds may not be adequately offset by the variable index payment received under the swap agreement. The Department has little or no such risk with respect to the 2006 bonds as the 2006 swaps pay a variable rate equal to the SIFMA Municipal Swap index which has very closely approximated, historically, the rates paid on variable rate municipal debt. The Department has basis risk, however, with respect to the 2004 swaps. The variable rate the Department receives with respect to the 2004 swaps is 68% of one-month LIBOR. While this rate has closely tracked the SIFMA Municipal Swap Index for a long period of time, there has recently been some divergence between the two indices. There is no guarantee that the two indices will remain as closely correlated in the future as they were in the past. There is a possibility, therefore, of a mismatch between actual variable rate bond debt service payments and the variable rate receipts under the 2004 swap agreements, resulting in a failure to achieve the synthetic fixed rate expected when the swaps initiated.

One event that would cause a divergence between the indices would be a significant change in U.S. income tax rates. This might result in 68% of LIBOR no longer approximating the tax-exempt rate set by the market for the Department's variable rate debt.

Termination Risk

The unplanned termination of one or more of the swaps exposes the Department to the possibility that the synthetic fixed rate expected to be obtained on the variable rate debt will not, in fact, be achieved. The swap agreements contain the standard ISDA provisions for termination, including events such as bankruptcy, ratings downgrades, and failure to post collateral when required. In addition, the Department, but not the counterparties, can terminate the swaps at any time with 30-day notice.

13. LONG-TERM OBLIGATIONS - continued

Bonds Issued by NMFA

The following bonds were issued by the New Mexico Finance Authority (Authority) in an agency capacity on behalf of the Department of Transportation during the fiscal year:

Series 2006A GRIP

On September 19, 2006, the Authority issued \$150,000,000 of State Transportation, Series 2006A Revenue Bonds. The Series 2006A Bonds were issued to provide funds for certain transportation projects authorized by the Legislature that the New Mexico Department of Transportation has determined to be necessary or desirable as part of GRIP transportation projects. Due to certain facts and circumstances specific to this bond issue, the liability associated with this debt is reflected by the New Mexico Department of Transportation and not the books of the Authority. The Authority serves in an agency capacity with respect to this bond issue.

Principal of the Bonds is payable as follows on December 15. Interest, with rates ranging from 3.6% to 5.0% per annum, is payable semi-annually on June 15 and December 15 through the year 2027.

The Department's future scheduled annual requirements to amortize the Bonds, including interest payments of \$91,242,104, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Series 2006A GRIP:			
2013	\$ 195,000	\$ 7,464,298	\$ 7,659,298
2014	255,000	7,454,412	7,709,412
2015	3,715,000	7,355,163	11,070,163
2016	3,535,000	7,173,912	10,708,912
2017	3,550,000	7,001,888	10,551,888
2018-2022	18,020,000	32,355,181	50,375,181
Total	<u>\$ 149,760,000</u>	<u>\$ 91,242,104</u>	<u>\$ 241,002,104</u>

13. LONG-TERM OBLIGATIONS - continued

Bonds Issued by NMFA - continued

Series 2006B GRIP

On September 19, 2006, the Authority issued \$39,005,000 of State Transportation, Series 2006B Refunding Revenue Bonds. The Series 2006B Bonds were issued to provide funds to refund and restructure certain outstanding bonds of the State Transportation Commission. Due to certain facts and circumstances specific to this bond issue, the liability associated with this debt is reflected by the New Mexico Department of Transportation and not the books of the Authority. The Authority serves in an agency capacity with respect to this bond issue.

Principal of the Bonds is payable as follows on December 15. Interest, with rates ranging from 4.0% to 5.0% per annum, is payable semi-annually on June 15 and December 15 through the year 2027.

The Department's future scheduled annual requirements to amortize the Bonds, including interest payments of \$10,961,374, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Series 2006B GRIP:			
2013	\$ 1,270,000	\$ 1,237,288	\$ 2,507,288
2014	1,320,000	1,188,261	2,508,261
2015	1,375,000	1,135,287	2,510,287
2016	1,435,000	1,073,744	2,508,744
2017	1,500,000	1,010,044	2,510,044
2018-2022	8,670,000	3,875,500	12,545,500
2023-2027	11,105,000	1,441,250	12,546,250
	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 26,675,000</u>	<u>\$ 10,961,374</u>	<u>\$ 37,636,374</u>

13. LONG-TERM OBLIGATIONS - continued

Bonds Issued by NMFA - continued

Series 2008A GRIP

The Department issued \$115,200,000 NMFA Adjustable Rate State Transportation Refunding Revenue Bonds (Subordinate Lien) Series 2008A April of 2008. There was no original issue premium. The cost of issuance was \$457,260.

The \$115,200,000 Series 2008A Bonds, together with additional bonds hereafter issued, are payable solely from and secured by federal funds not otherwise obligated that are paid into the State Road Fund, proceeds of the collection of taxes and fees that are required to be paid into the State Road Fund and not otherwise pledged exclusively to the payment of outstanding bonds and debentures, and taxes and fees required by law to be paid into the Highway Infrastructure Fund. The bonds were issued through the NMFA at the direction of the State Transportation Commission of the State of New Mexico to provide funds to refund certain outstanding bonds of the NMFA which were issued for the purpose of financing projects administered by the New Mexico Department of Transportation. Those projects are part of the GRIP plan to upgrade and improve highways throughout the State and to develop a broad based, intermodal transportation plan that includes light rail, commuter rail, park and ride, airport improvements, bike paths and hiking trails.

Principal of the Bonds is payable as follows on June 15. Interest is payable semi-annually on June 15 and December 15 through the year 2024.

The Department's future scheduled annual requirements to amortize the Bonds, including interest payments of \$52,924,889, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Series 2008A GRIP:			
2013	\$ -	\$ 4,531,968	\$ 4,531,968
2014	-	4,531,968	4,531,968
2015	-	4,531,968	4,531,968
2016	-	4,531,968	4,531,968
2017	-	4,531,968	4,531,968
2018-2022	-	22,659,840	22,659,840
2023-2027	115,200,000	7,605,209	122,805,209
Total	<u>\$ 115,200,000</u>	<u>\$ 52,924,889</u>	<u>\$ 168,124,889</u>

13. LONG-TERM OBLIGATIONS - continued

Bonds Issued by NMFA - continued

Series 2008B GRIP

The Department issued \$220,000,000 NMFA Adjustable Rate State Transportation Refunding Revenue Bonds (Subordinate Lien) Series 2008B in the amount of \$220,000,000 in April of 2008. There was no original issue premium. The cost of issuance was \$873,240.

The \$220,000,000 Series 2008B Bonds, together with additional bonds hereafter issued, are payable solely from and secured by federal funds not otherwise obligated that are paid into the State Road Fund, proceeds of the collection of taxes and fees that are required to be paid into the State Road Fund and not otherwise pledged exclusively to the payment of outstanding bonds and debentures, and taxes and fees required by law to be paid into the Highway Infrastructure Fund. The bonds were issued through the NMFA at the direction of the State Transportation Commission of the State of New Mexico to provide funds to refund certain outstanding bonds of the NMFA which were issued for the purpose of financing projects administered by the New Mexico Department of Transportation. Those projects are part of the GRIP plan to upgrade and improve highways throughout the State and to develop a broad based, intermodal transportation plan that includes light rail, commuter rail, park and ride, airport improvements, bike paths and hiking trails.

Principal of the Bonds is payable as follows on June 15. Interest is payable semi-annually on June 15 and December 15 through the year 2027.

The Department's future scheduled annual requirements to amortize the Bonds, including interest payments of \$139,920,508, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Series 2008B GRIP:			
2013	\$ -	\$ 10,410,400	\$ 10,410,400
2014	-	10,410,400	10,410,400
2015	-	10,410,400	10,410,400
2016	-	10,410,400	10,410,400
2017	-	10,410,400	10,410,400
2018-2022	-	52,052,000	52,052,000
2023-2027	220,000,000	35,816,508	255,816,508
Total	<u>\$ 220,000,000</u>	<u>\$ 139,920,508</u>	<u>\$ 359,920,508</u>

13. LONG-TERM OBLIGATIONS - continued

Bonds Issued by NMFA - continued

Series 2008C GRIP

The Department issued \$84,800,000 NMFA Adjustable Rate State Transportation Refunding Revenue Bonds (Subordinate Lien) Series 2008C in May of 2008. There was no original issue premium. The cost of issuance was \$448,194.

The \$84,800,000 Series 2008C Bonds, together with additional bonds hereafter issued, are payable solely from and secured by federal funds not otherwise obligated that are paid into the State Road Fund, proceeds of the collection of taxes and fees that are required to be paid into the State Road Fund and not otherwise pledged exclusively to the payment of outstanding bonds and debentures, and taxes and fees required by law to be paid into the Highway Infrastructure Fund. The bonds were issued through the NMFA at the direction of the State Transportation Commission of the State of New Mexico to provide funds to refund certain outstanding bonds of the NMFA which were issued for the purpose of financing projects administered by the New Mexico Department of Transportation. Those projects are part of the GRIP plan to upgrade and improve highways throughout the State and to develop a broad based, intermodal transportation plan that includes light rail, commuter rail, park and ride, airport improvements, bike paths and hiking trails.

Principal of the Bonds is payable as follows on June 15. Interest is payable semi-annually on June 15 and December 15 through the year 2024.

The Department's future scheduled annual requirements to amortize the Bonds, including interest payments of \$38,958,599, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Series 2008C GRIP:			
2013	\$ -	\$ 3,336,032	\$ 3,336,032
2014	-	3,336,032	3,336,032
2015	-	3,336,032	3,336,032
2016	-	3,336,032	3,336,032
2017	-	3,336,032	3,336,032
2018-2022	-	16,680,160	16,680,160
2023-2027	<u>84,800,000</u>	<u>5,598,279</u>	<u>90,398,279</u>
Total	<u>\$ 84,800,000</u>	<u>\$ 38,958,599</u>	<u>\$ 123,758,599</u>

13. LONG-TERM OBLIGATIONS - continued

Bonds Issued by NMFA - continued

Series 2008D GRIP

The Department issued \$50,400,000 NMFA Adjustable Rate State Transportation Refunding Revenue Bonds (Subordinate Lien) Series 2008D in May of 2008. There was no original issue premium. The cost of issuance was \$264,930.

The \$50,400,000 Series 2008D Bonds, are payable wholly and solely from moneys derived from sources other than general taxation revenues. The bonds were issued through the NMFA at the direction of the State Transportation Commission of the State of New Mexico to provide funds for an escrow as required by BNSF Railway Company in the Joint Use Agreement with the New Mexico Department of Transportation to cover costs of additional uninsured liabilities on the part of BNSF which would not exist but for the commuter rail service and related activities.

Principal of the Bonds is payable as follows on June 15. Interest is payable semi-annually on June 15 and December 15 through the year 2027.

The Department's future scheduled annual requirements to amortize the Bonds, including interest payments of \$14,616,000, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Series 2008D GRIP:			
2013	\$ -	\$ 1,008,000	\$ 1,008,000
2014	-	1,008,000	1,008,000
2015	-	1,008,000	1,008,000
2016	-	1,008,000	1,008,000
2017	-	1,008,000	1,008,000
2018-2022	-	5,040,000	5,040,000
2023-2027	50,400,000	4,536,000	54,936,000
Total	<u>\$ 50,400,000</u>	<u>\$ 14,616,000</u>	<u>\$ 65,016,000</u>

13. LONG-TERM OBLIGATIONS - continued

Series 2009A Refunding

The Department issued \$112,345,000 NMFA State Transportation Refunding Revenue Bonds (Senior Lien) Series 2009A in November 2009. The gross proceeds to the Department were \$120,756,035, including \$8,411,035 of an original issue premium. The cost of issuance, including the underwriter's discount, was \$899,329.

The Series 2009A Bonds, together with additional bonds hereafter issued, are payable solely from and secured by federal funds not otherwise obligated that are paid into the State Road Fund, proceeds of the collection of taxes and fees that are required to be paid into the State Road Fund and not otherwise pledged exclusively to the payment of outstanding bonds and debentures, and taxes and fees required by law to be paid into the Highway Infrastructure Fund. The bonds were issued through the NMFA at the direction of the State Transportation Commission of the State of New Mexico to provide funds to refund certain outstanding bonds of the NMFA which were issued for the purpose of financing projects administered by the New Mexico Department of Transportation. Those projects are part of the GRIP plan to upgrade and improve highways throughout the State and to develop a broad based, intermodal transportation plan that includes light rail, commuter rail, park and ride, airport improvements, bike paths and hiking trails.

Principal of the Bonds is payable as follows on June 15. Interest is payable semi-annually on June 15 and December 15 through the year 2017.

The Department's future estimated scheduled annual requirement to amortize the Bonds, including interest payments of \$4,612,700, based on interest rates from 2.0% to 5.0%, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Series 2009A Refunding:			
2013	\$ 23,190,000	\$ 2,253,900	\$ 25,443,900
2014	11,075,000	1,094,400	12,169,400
2015	4,820,000	651,400	5,471,400
2016	5,195,000	410,400	5,605,400
2017	5,065,000	202,600	5,267,600
Total	<u>\$ 49,345,000</u>	<u>\$ 4,612,700</u>	<u>\$ 53,957,700</u>

13. LONG-TERM OBLIGATIONS - continued

2010A Revenue and Refundings

The Department issued \$174,625,000 NMFA State Transportation Revenue and Refunding Revenue Bonds (Subordinate and Senior Lien) Series 2010A in September 2010. The gross proceeds to the Department were \$200,494,152 including an original issuance premium of \$26,745,858. The cost of issuance, including the underwriters' discount, was \$1,320,666.

The Bonds are payable solely from and secured by federal funds not otherwise obligated that are paid into the State Road Fund, proceeds of the collection of taxes and fees that are required to be paid into the State Road Fund and not otherwise pledged exclusively to the payment of outstanding bonds and debentures, and taxes and fees required by law to be paid into the Highway Infrastructure Fund. The Bonds were engaged in through the NMFA at the direction of the State Transportation Commission of the State of New Mexico to provide funds for the purpose of financing projects administered by the New Mexico Department of Transportation. Those projects are part of the GRIP plan to upgrade and improve highways throughout the State and to develop a broad based, intermodal transportation plan that includes light rail, commuter rail, park and ride, airport improvements, bike paths and hiking trails.

Principal of the Bonds is payable as follows on December 15. Interest, with rates ranging from 1.5% to 5.0% per annum, is payable semi-annually on June 15 and December 15 through the year 2024.

The Department's future scheduled annual requirements to amortize the Bonds, including interest payments of \$38,310,700, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Series 2010A Refunding			
2013	\$ 23,120,000	\$ 7,382,700	\$ 30,502,700
2014	38,225,000	5,915,475	44,140,475
2015	12,015,000	4,764,650	16,779,650
2016	12,595,000	4,202,600	16,797,600
2017	13,265,000	3,585,375	16,850,375
2018-2022	46,185,000	11,224,025	57,409,025
2023-2027	23,175,000	1,235,875	24,410,875
	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 168,580,000</u>	<u>\$ 38,310,700</u>	<u>\$ 206,890,700</u>

13. LONG-TERM OBLIGATIONS - continued

2010B Revenue and Refundings

The Department issued \$461,075,000 NMFA State Transportation Refunding Revenue Bonds (Senior Lien) Series 2010B in October 2010. The gross proceeds to the Department were \$543,315,911 including an original issuance premium of \$84,632,805. The cost of issuance, including the underwriters' discount, was \$3,096,740.

The Bonds are payable solely from and secured by federal funds not otherwise obligated that are paid into the State Road Fund, proceeds of the collection of taxes and fees that are required to be paid into the State Road Fund and not otherwise pledged exclusively to the payment of outstanding bonds and debentures, and taxes and fees required by law to be paid into the Highway Infrastructure Fund. The Bonds were engaged in through the NMFA at the direction of the State Transportation Commission of the State of New Mexico to provide funds for the purpose of financing projects administered by the New Mexico Department of Transportation. Those projects are part of the GRIP plan to upgrade and improve highways throughout the State and to develop a broad based, intermodal transportation plan that includes light rail, commuter rail, park and ride, airport improvements, bike paths and hiking trails.

Principal of the Bonds is payable as follows on June 15. Interest, with rates ranging from 3.0% to 5.0% per annum, is payable semi-annually on June 15 and December 15 through the year 2024.

The Department's future scheduled annual requirements to amortize the Bonds, including interest payments of \$163,833,700, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Series 2010B Refunding			
2013	\$ -	\$ 22,067,500	\$ 22,067,500
2014	6,635,000	22,067,500	28,702,500
2015	-	21,832,100	21,832,100
2016	395,000	21,832,100	22,227,100
2017	69,180,000	21,820,250	91,000,250
2018-2022	338,245,000	51,818,250	390,063,250
2023-2027	36,980,000	2,396,000	39,376,000
	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 451,435,000</u>	<u>\$ 163,833,700</u>	<u>\$ 615,268,700</u>

13. LONG-TERM OBLIGATIONS - continued

Total future principal and interest obligation repayments for all long-term payables are as follows:

<u>Year Ended June 30,</u>	<u>Total</u>
2013	\$ 164,433,331
2014	177,827,628
2015	150,925,900
2016	150,701,229
2017	150,923,767
2018-2022	732,770,138
2023-2027	744,884,146
Total	\$ 2,272,466,139

Long-Term Debt Interest Expense

The total amount of interest expense included in direct expenses in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds is \$81,480,615 for the year-ended June 30, 2012.

Capital Leases

There are no future minimum lease obligations to report as of June 30, 2012.

Compensated Absences

An obligation amounting to \$5,961,995 at June 30, 2012 has been recorded to the government-wide financial statements representing the Department's commitment for accrued vacation, sick leave and other compensated absences.

14. NEGATIVE FUND BALANCES

The Department had negative fund balances at the end of the fiscal year as follows:

Fund 89000: ARRA Project Fund \$1,448,210

This amount represents current year revenue deferred to the following fiscal year due to receipt greater than 60 days past the year end cutoff for recognizing earned revenue.

Fund 43100: WIPP Bond Project Fund \$2,683,403

This amount represents revenue deferred to the following fiscal year due to DOE grant monies received in advance and not recognized as revenue until actually expended.

Fund 10030: Federal Planning and Development Fund \$1,117,866

This amount represents unreimbursed expenditures awaiting administrative processing requirements.

Fund 10060: Severance Tax Bond Appropriations Fund \$4,713,771

This amount represents unreimbursed expenditures awaiting administrative processing requirements.

Fund 20400: 2004A GRIP Project Fund \$491,699

This amount represents pending adjustment of expenditures to other bond project funds.

15. REVERSIONS

Reversions are calculated based on an original appropriation amount less total expenditures until the appropriation is expired or closed by the capital projects division.

Current year reversions due to the State General Fund as of June 30, 2012 were as follows:

Fund 10070	\$	<u>28,109</u>
------------	----	---------------

Current year reversions due to the Road Fund (20100) as of June 30, 2012 were as follows:

Fund 10140	\$	11,066
Fund 82000		71
	\$	<u>11,137</u>

Current year reversions due to the State Board of Finance of June 30, 2012 were as follows:

Fund 10060	\$	<u>1,050,854</u>
------------	----	------------------

Total of all reversions	\$	<u>1,090,100</u>
-------------------------	----	------------------

16. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

Plan Description

Substantially all of the Department's full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). The Public Employees Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, NM 87504-2123. The report is also available on PERA's website at www.pera.state.nm.us.

Funding Policy

Plan members are required to contribute 8.92% of their gross salary. The Department is required to contribute 15.09% of the gross covered salary. The contribution requirements of plan members and the Department are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The Department's contributions to PERA for the years ending June 30, 2012, 2011 and 2010 were \$11,046,477, \$13,459,033, and \$14,156,554, respectively, equal to the amount of the required contribution for each year.

17. 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.

17. POST-EMPLOYMENT BENEFITS - STATE RETIREE HEALTH CARE PLAN - continued

Funding Policy

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2012, statute required each participating employer to contribute 1.834% of each participating employee's annual salary; each participating employee is required to contribute .917% of their salary. In the fiscal year ending June 30, 2013 the contribution rates for employees and employers will rise as follows:

For employees who are not members of an enhanced retirement plan the contribution rates will be:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY12	1.834%	0.917%
FY13	2.000%	1.000%

Also, employers joining the program after January 1, 1998 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

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

The Department's contributions to the RHCA for the years ended June 30, 2012, 2011, 2010 were \$1,505,141, \$1,472,272, and \$1,197,245, respectively, which equal the required contributions for each year.

18. RISK MANAGEMENT

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

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

During the 2009-2010 fiscal year, the Department paid Risk Management \$4,318,445 in insurance premiums. During the 2010-2011 fiscal year, the Department paid Risk Management \$4,013,600 in insurance premiums. During the 2011-2012 fiscal year, the Department paid Risk Management \$4,283,653 in insurance premiums. The Department's exposure is limited to \$1,000 per any first-party incurred property loss, with the exception of theft, which has a \$5,000 deductible.

After conferring with legal counsel concerning pending litigation and claims, the Department believes that the outcome of pending litigation should not have a materially adverse effect on the financial position or operations of the Department. In addition, for the years ended June 30, 2010, 2011 and 2012, the Department had no claims for which the Risk Management Division has returned as "not covered" that would become the responsibility of the Department

19. LITIGATION

The Department is subject to various legal proceedings, claims and liabilities, including right-of-way condemnation proceedings, contractor claims and employee claims, which arise in the ordinary course of the Department's operations. There are various contractor lawsuits and claims against the Department for various reasons. The Department contests these claims and if a likelihood of a loss is probable and can be reasonably estimated, the Department accrues the loss in the accompanying financial statements. In the opinion of the Department's management and legal counsel, the ultimate resolution of the above matters will not have a material adverse impact on the financial position or results of operations of the Department.

20. OPERATING LEASE COMMITMENT

The Department leases certain equipment and premises under numerous operating leases. Leases are subject to future appropriations and as such are cancelable by the Department at the end of a fiscal year. Rental expense for the year ended June 30, 2012 was \$1,293,960.

The future minimum lease payments under operating leases as of June 30, 2012 are as follows:

Years ending June 30:	<u>Lease Amounts</u>
2012	\$ 148,195
2013	115,315
2014	115,315
2015	35,700
2017-2021	109,770
2022	<u>12,000</u>
	<u>\$ 536,295</u>

21. COMMITMENTS AND CONTINGENCIES

Grant Revenue

The Department participates in numerous federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Department has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable at June 30, 2012 may be impaired. In the opinion of the Department, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants.

22. BUDGETED VS. ACTUAL EXPENDITURES

The Department had expenditures that exceeded the final budget expenditures as follows:

Program Support, Other, in the amount of	<u>\$ 1,405,592</u>
--	---------------------

Program Support, Other

The other costs in 2010A/LOC Bond Debt Service Fund (Fund #11140) which exceed the budgeted amounts are the payoff of the principal due on the Line of Credit which was funded by the refunding bond (the NMFA State Transportation Revenue and Refunding Bond Series 2010A) as well as the issuance costs on the new debt. The proceeds of the bond, as well as the premium, are shown in Budget and Actual Schedule on the line "Bond Proceeds".

22. BUDGETED VS. ACTUAL EXPENDITURES - continued

Transfers, which are shown in the expenditure portion of the Budget and Actual presentation, are the intra-agency transfers only and these net to zero across the entire agency. Any one fund presentation will show a variance over or under budget since in general transfers are not budgeted. See Note 11 for the Transfers Schedule Footnote.

Debt expenditures, which are reported in the Other category for budget purposes, and which include principal, interest and fees related to debt, were budgeted to be \$162,923,400 (not including the principal payments in the 2010A current refunding, the issuance costs of either refunding, or the Cash Transferred to Escrow in the 2010B Advance Refunding). The actual expenditures, measured in the same way, were \$153,442,577.

Expenditures related to debt which was incurred during or after 2004 are budgeted and expensed primarily in the fund which generates the revenue for the payments, specifically State Road Fund (#20100), HIF Bond Fund (#20200) and WIPP Bond Project Fund (#43100). This is for several reasons, not the least of which, it is needed in order to capture the costs for billing entities when the debt costs are reimbursable. If actual debt costs, paid out of the debt trustee accounts, exceed the cash transferred from the primary fund, the debt service fund which records the trustee cash that was used in addition to the cash transferred, then records the debt expenditures.

Expenditures related to debt which was incurred before 2004 are also budgeted in the fund which generates the revenue for payments, but presented as an expenditure for GAAP purposes in the debt service fund. The recording of the cash transferred to the debt service funds is a transfer out in the sending fund and as a transfer in for the debt service funds. These transfer amounts are not formally budgeted.

23. SUBSEQUENT EVENTS

Updated Fair Value of Swaps

The estimated fair value of the swaps at November 27, 2012 was as follows:

<u>Counterparty</u>	<u>Notional Value</u>	<u>Fair Value</u>	<u>Collateral Posted</u>
Goldman Sachs	\$ 50,000,000	\$ (15,034,263)	\$ -
Deutsche	50,000,000	(15,034,263)	-
Royal Bank of Canada	100,000,000	(30,068,525)	11,200,000
JPMorgan Chase Bank	110,000,000	(42,940,456)	14,440,000
UBS AG	110,000,000	(42,940,456)	15,720,000
Total	<u>\$ 420,000,000</u>	<u>\$ (146,017,963)</u>	<u>\$ 41,360,000</u>

The date of the Collateral Posting Report is November 23, 2012.

23. SUBSEQUENT EVENTS - continued

Taxable Line of Credit

In November of 2012, the Department increased its taxable line of credit from \$40 million to \$50 million to finance a portion of the collateral posted against the negative fair value of the swaps. This LOC is considered short term and matures on February 15, 2015.

Bond Refunding

As a result of the current market environment providing historically low interest rates and currently favorable conditions in the municipal market, the Department has realized an opportunity for an economic refunding of approximately \$241,240,000 of closed lien and senior lien bonds. The refunding will provide a net present value savings and will improve debt service coverage ratios as well as provide cash flow savings. As a result, The State Transportation Commission adopted a resolution on November 15, 2012 authorizing and approving the issuance by the New Mexico Finance Authority of the Series 2012 State Transportation Fixed Rate Revenue Refunding Bonds to effectuate the current or advance refunding of all or a portion of the following bonds, which bonds were issued to provide funds for highway project previously undertaken the by the Commission: (1) all of the 2002C Highway Infrastructure Fund Revenue Bonds in the current outstanding amount of \$5,930,000; (2) all of the 2002D Senior Subordinate Lien Tax Revenue Highway Bonds in the current outstanding amount of \$1,575,000; (3) a portion of the 2004A Revenue Bonds totaling \$167,695,000 currently outstanding in the aggregate amount of \$248,310,000; and (4) a portion of the 2006A Revenue Bonds totaling \$66,040,000 currently outstanding in the aggregate amount of \$149,760,000. The pricing of the bonds occurred on December 5, 2012 and resulted in a net present value savings of \$32.9 million. The borrowing with a final maturity of 2026 priced at an all in cost of borrowing of 1.83%. Annual savings to the Department is \$2 to \$3 million in 2013 through 2015 and \$22 million in 2016. In addition, maximum annual debt service in 2024 has been reduced by \$2.8 million with the refunding. Strong results were supported by an upgrade to AAA from S&P. The series, maturities and amounts of the Refunding Bonds will be identified at a later date and were issued as Senior Lien Obligations.

24. INSURANCE COVERAGE

The Department obtains coverage through Risk Management Division of the State of New Mexico General Services Department. This coverage includes liability and civil rights, property, vehicle, employer bond, workers' compensation, group insurance and state unemployment. These coverages are designed to satisfy the requirements of the State Tort Claims Act. All employees of the Department are covered by blanket fidelity bond up to \$5,000,000 with a \$1,000 deductible per occurrence by the State of New Mexico for the period July 1, 2011, through June 30, 2012.

SUPPLEMENTARY INFORMATION

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

DEPARTMENT OF TRANSPORTATION				
agency wide including enterprise fund excluding multi-year funds				
	Budgeted Amounts		Actual	Variance Over (Under)
	Original	Final	Amounts (Modified Accrual)	
Revenues:				
Federal funds	\$ 403,549,000	\$ 523,250,024	\$ 479,562,632	\$ (43,687,392)
Other state funds	414,573,400	422,955,258	418,443,425	(4,511,833)
Transfers outside the agency	-	-	(5,119,424)	(5,119,424)
Interest revenue	-	-	3,964,199	3,964,199
Total Revenues:	<u>818,122,400</u>	<u>946,205,282</u>	<u>896,850,832</u>	<u>\$ (49,354,450)</u>
Prior Year Funds Rebudgeted	289,319,395	298,325,185		
	<u>\$ 1,107,441,795</u>	<u>\$ 1,244,530,467</u>		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			6,496,000	
Total GAAP Revenues			<u>\$ 903,346,832</u>	
Expenditures - current and capital outlay:				
Programs and Infrastructure:				
Personal services/employee benefits	\$ 26,380,600	\$ 26,380,600	\$ 22,471,836	\$ 3,908,764
Contractual services	552,441,504	678,260,381	16,666,843	661,593,538
Other	228,076,939	234,846,934	105,576,193	129,270,741
Intra-agency transfers (in) out	-	-	377,372	(377,372)
Reversions	-	-	11,137	(11,137)
	<u>806,899,043</u>	<u>939,487,915</u>	<u>145,103,381</u>	<u>794,384,534</u>
Transportation and Highway Ops:				
Personal services/employee benefits	94,282,600	94,282,600	83,250,645	11,031,955
Contractual services	43,847,329	48,410,329	42,528,558	5,881,771
Other	111,789,323	111,789,323	533,371,157	(421,581,834)
	<u>249,919,252</u>	<u>254,482,252</u>	<u>659,150,360</u>	<u>(404,668,108)</u>
Program Support:				
Personal services/employee benefits	24,696,600	24,696,600	22,095,873	2,600,727
Contractual services	4,628,100	4,628,100	3,101,887	1,526,213
Other	14,389,600	14,389,600	15,795,192	(1,405,592)
Intra-agency transfers (in) out	6,909,200	6,846,000	(377,372)	7,223,372
	<u>50,623,500</u>	<u>50,560,300</u>	<u>40,615,580</u>	<u>9,944,720</u>
Total Annual Budgeted Expenditures	<u>\$ 1,107,441,795</u>	<u>\$ 1,244,530,467</u>	<u>844,869,321</u>	<u>\$ 399,661,146</u>
Reconciliation to GAAP expenditures:				
Accruals			9,282,863	
Transfers in (out)			23	
Amortization and reversions			(11,161)	
Total GAAP Expenditures			<u>\$ 854,141,046</u>	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	STATE ROAD FUND(S) (SHARE 10040, 10140, 20100, 82000)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
Revenues:				
Federal funds	\$ 370,231,700	\$ 463,031,700	\$ 405,584,655	\$ (57,447,045)
Other state funds	374,965,800	378,347,658	380,089,333	1,741,675
Transfers outside the agency	-	-	(6,796,000)	(6,796,000)
Interest revenue	-	-	108,827	108,827
Total Revenues:	<u>745,197,500</u>	<u>841,379,358</u>	<u>778,986,815</u>	<u>\$ (62,392,543)</u>
Prior Year Funds Rebudgeted	247,839,878	262,845,668		
	<u>\$ 993,037,378</u>	<u>\$ 1,104,225,026</u>		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			6,796,000	
Total GAAP Revenues			<u>\$ 785,782,815</u>	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ 24,606,700	\$ 24,606,700	\$ 21,108,065	\$ 3,498,635
Contractual services	544,860,031	648,547,879	15,178,120	633,369,759
Other	160,827,913	163,827,913	633,494	163,194,419
Intra-agency transfers (in) out	-	-	61,425	(61,425)
Reversions	-	-	11,137	(11,137)
	<u>730,294,644</u>	<u>836,982,492</u>	<u>36,992,241</u>	<u>799,990,251</u>
Transportation and Highway Ops:				
Personal services/employee benefits	94,282,600	94,282,600	83,250,645	11,031,955
Contractual services	43,847,329	48,410,329	42,528,558	5,881,771
Other	74,065,305	74,065,305	513,605,191	(439,539,886)
	<u>212,195,234</u>	<u>216,758,234</u>	<u>639,384,394</u>	<u>(422,626,160)</u>
Program Support				
Personal services/employee benefits	24,620,600	24,620,600	22,095,873	2,524,727
Contractual services	4,628,100	4,628,100	3,101,887	1,526,213
Other	14,389,600	14,389,600	9,775,984	4,613,616
Intra-agency transfers (in) out	6,909,200	6,846,000	-	6,846,000
	<u>50,547,500</u>	<u>50,484,300</u>	<u>34,973,744</u>	<u>15,510,556</u>
Total Annual Budgeted Expenditures	<u>\$ 993,037,378</u>	<u>\$ 1,104,225,026</u>	<u>711,350,379</u>	<u>\$ 392,874,647</u>
Reconciliation to GAAP expenditures:				
Accruals			8,231,398	
Transfers in (out)			(61,425)	
Amortization and reversions			(11,137)	
Total GAAP Expenditures			<u>\$ 719,509,215</u>	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	DEPARTMENTAL SERVICES-INVENTORIES FUND (SHARE 10040)			
	Budgeted Amounts		Actual	
	Original	Final	Amounts (Modified Accrual)	Variance Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	19	19
Interest revenue	-	-	-	-
Total Revenues:	-	-	19	\$ 19
Prior Year Funds Rebudgeted	-	-		
	\$ -	\$ -		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			\$ 19	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	450,893	(450,893)
Intra-agency transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	-	-	450,893	(450,893)
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
	-	-	-	-
Total Annual Budgeted Expenditures	\$ -	\$ -	450,893	\$ (450,893)
Reconciliation to GAAP expenditures:				
Accruals			42,061	
Transfers in (out)			-	
Amortization and reversions			-	
Total GAAP Expenditures			\$ 492,954	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	1998A BOND FUND US 70 FUND (SHARE 10140)			
	Budgeted Amounts		Actual	
	Original	Final	Amounts (Modified Accrual)	Variance Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	-	-
Total Revenues:	-	-	-	\$ -
Prior Year Funds Rebudgeted	-	-		
	\$ -	\$ -		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			\$ -	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Reversions	-	-	11,066	(11,066)
	-	-	11,066	(11,066)
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Total Annual Budgeted Expenditures	\$ -	\$ -	11,066	\$ (11,066)
Reconciliation to GAAP expenditures:				
Accruals			-	
Transfers in (out)			-	
Amortization and reversions			(11,066)	
Total GAAP Expenditures			\$ -	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	STATE ROAD FUND (SHARE 20100)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
Revenues:				
Federal funds	\$ 370,231,700	\$ 463,031,700	\$ 405,584,655	\$ (57,447,045)
Other state funds	374,965,800	378,347,658	380,089,314	1,741,656
Transfers outside the agency	-	-	(6,796,000)	(6,796,000)
Interest revenue	-	-	108,827	108,827
Total Revenues:	<u>745,197,500</u>	<u>841,379,358</u>	<u>778,986,796</u>	<u>\$ (62,392,562)</u>
Prior Year Funds Rebudgeted	<u>247,839,878</u>	<u>262,845,668</u>		
	<u>\$ 993,037,378</u>	<u>\$ 1,104,225,026</u>		
Reconciliations to GAAP Revenues:				
Tranfers outside the Agency			<u>6,796,000</u>	
Total GAAP Revenues			<u>\$ 785,782,796</u>	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ 24,606,700	\$ 24,606,700	\$ 21,108,065	\$ 3,498,635
Contractual services	544,860,031	648,547,879	15,178,120	633,369,759
Other	160,827,913	163,827,913	182,601	163,645,312
Intra-agency transfers (in) out	-	-	61,425	(61,425)
	<u>730,294,644</u>	<u>836,982,492</u>	<u>36,530,211</u>	<u>800,452,281</u>
Transportation and Highway Ops:				
Personal services/employee benefits	94,282,600	94,282,600	83,250,645	11,031,955
Contractual services	43,847,329	48,410,329	42,528,558	5,881,771
Other	74,065,305	74,065,305	513,605,191	(439,539,886)
	<u>212,195,234</u>	<u>216,758,234</u>	<u>639,384,394</u>	<u>(422,626,160)</u>
Program Support				
Personal services/employee benefits	24,620,600	24,620,600	22,095,873	2,524,727
Contractual services	4,628,100	4,628,100	3,101,887	1,526,213
Other	14,389,600	14,389,600	9,775,984	4,613,616
Intra-agency transfers (in) out	6,909,200	6,846,000	-	6,846,000
	<u>50,547,500</u>	<u>50,484,300</u>	<u>34,973,744</u>	<u>15,510,556</u>
Total Annual Budgeted Expenditures	<u>\$ 993,037,378</u>	<u>\$ 1,104,225,026</u>	<u>710,888,349</u>	<u>\$ 393,336,677</u>
Reconciliation to GAAP expenditures:				
Accruals			8,189,337	
Transfers in (out)			(61,425)	
Amortization and reversions			-	
Total GAAP Expenditures			<u>\$ 719,016,261</u>	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	RUBBERIZED ASPHALT FUND (SHARE 82000)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	-	-
Total Revenues:	-	-	-	\$ -
Prior Year Funds Rebudgeted	-	-		
	\$ -	\$ -		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			\$ -	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Reversions	-	-	71	(71)
	-	-	71	(71)
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Total Annual Budgeted Expenditures	\$ -	\$ -	71	\$ (71)
Reconciliation to GAAP expenditures:				
Accruals			-	
Transfers in (out)			-	
Amortization and reversions			(71)	
Total GAAP Expenditures			\$ -	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	NON MAJOR GOVERNMENTAL FUNDS			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
Revenues:				
Federal funds	\$ 33,317,300	\$ 60,218,324	\$ 73,977,977	\$ 13,759,653
Other state funds	39,607,600	44,607,600	38,351,436	(6,256,164)
Transfers outside the agency	-	-	1,676,576	1,676,576
Interest revenue	-	-	3,849,125	3,849,125
Total Revenues:	<u>72,924,900</u>	<u>104,825,924</u>	<u>117,855,114</u>	<u>\$ 13,029,190</u>
Prior Year Funds Rebudgeted	<u>41,479,517</u>	<u>35,479,517</u>		
	<u>\$ 114,404,417</u>	<u>\$ 140,305,441</u>		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			(300,000)	
Total GAAP Revenues			<u>\$ 117,555,114</u>	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ 1,773,900	\$ 1,773,900	\$ 1,363,772	\$ 410,128
Contractual services	7,581,473	29,712,502	1,261,382	28,451,120
Other	67,249,026	71,019,021	109,167,725	(38,148,704)
Intra-agency transfers (in) out	-	-	315,947	(315,947)
Reversions	-	-	-	-
	<u>76,604,399</u>	<u>102,505,423</u>	<u>112,108,826</u>	<u>(9,603,403)</u>
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	37,724,018	37,724,018	19,765,965	17,958,053
Reversions	-	-	-	-
	<u>37,724,018</u>	<u>37,724,018</u>	<u>19,765,965</u>	<u>17,958,053</u>
Program Support				
Personal services/employee benefits	76,000	76,000	-	76,000
Contractual services	-	-	-	-
Other	-	-	6,019,208	(6,019,208)
Intra-agency transfers (in) out	-	-	(377,372)	377,372
	<u>76,000</u>	<u>76,000</u>	<u>5,641,836</u>	<u>(5,565,836)</u>
Total Annual Budgeted Expenditures	<u>\$ 114,404,417</u>	<u>\$ 140,305,441</u>	<u>137,516,627</u>	<u>\$ 2,788,814</u>
Reconciliation to GAAP expenditures:				
Accruals			339,769	
Transfers in (out)			61,448	
Amortization and reversions			(24)	
Total GAAP Expenditures			<u>\$ 137,917,820</u>	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	TRAFFIC SAFETY FUND(S) (SHARE 10010, 10020, 20600, 20700, 20800, 82600)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
Revenues:				
Federal funds	\$ 15,742,400	\$ 15,873,429	\$ 12,031,664	\$ (3,841,765)
Other state funds	4,210,000	4,210,000	2,466,198	(1,743,802)
Transfers outside the agency	-	-	1,676,576	1,676,576
Interest revenue	-	-	2,495	2,495
Total Revenues:	<u>19,952,400</u>	<u>20,083,429</u>	<u>16,176,933</u>	<u>\$ (3,906,496)</u>
Prior Year Funds Rebudgeted	8,978,685	8,978,685		
	<u>\$ 28,931,085</u>	<u>\$ 29,062,114</u>		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			(300,000)	
Total GAAP Revenues			<u>\$ 15,876,933</u>	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ 924,000	\$ 924,000	\$ 651,733	\$ 272,267
Contractual services	-	131,029	84,428	46,601
Other	27,931,085	27,931,085	13,442,992	14,488,093
Intra-agency transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	<u>28,855,085</u>	<u>28,986,114</u>	<u>14,179,153</u>	<u>14,806,961</u>
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Program Support				
Personal services/employee benefits	76,000	76,000	-	76,000
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
	<u>76,000</u>	<u>76,000</u>	<u>-</u>	<u>76,000</u>
Total Annual Budgeted Expenditures	<u>\$ 28,931,085</u>	<u>\$ 29,062,114</u>	<u>14,179,153</u>	<u>\$ 14,882,961</u>
Reconciliation to GAAP expenditures:				
Accruals			(864,335)	
Transfers in (out)			-	
Amortization and reversions			-	
Total GAAP Expenditures			<u>\$ 13,314,818</u>	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	FEDERAL TRAFFIC SAFETY FUND (SHARE 10010)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
Revenues:				
Federal funds	\$ 15,742,400	\$ 15,873,429	\$ 12,031,664	\$ (3,841,765)
Other state funds	-	-	43,565	43,565
Interest revenue	-	-	-	-
Total Revenues:	<u>15,742,400</u>	<u>15,873,429</u>	<u>12,075,229</u>	<u>\$ (3,798,200)</u>
Prior Year Funds Rebudgeted	5,845,590	5,845,590		
	<u>\$ 21,587,990</u>	<u>\$ 21,719,019</u>		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			<u>\$ 12,075,229</u>	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ 785,100	\$ 785,100	\$ 554,386	\$ 230,714
Contractual services	-	131,029	98,479	32,550
Other	20,726,890	20,726,890	10,949,357	9,777,533
Intra-agency transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	<u>21,511,990</u>	<u>21,643,019</u>	<u>11,602,222</u>	<u>10,040,797</u>
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Program Support				
Personal services/employee benefits	76,000	76,000	-	76,000
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
	<u>76,000</u>	<u>76,000</u>	<u>-</u>	<u>76,000</u>
Total Annual Budgeted Expenditures	<u>\$ 21,587,990</u>	<u>\$ 21,719,019</u>	<u>11,602,222</u>	<u>\$ 10,116,797</u>
Reconciliation to GAAP expenditures:				
Accruals			(1,293,519)	
Transfers in (out)			-	
Amortization and reversions			-	
Total GAAP Expenditures			<u>\$ 10,308,703</u>	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	DRIVER IMPROVEMENT FUND (SHARE 10020)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	315,000	315,000	342,952	27,952
Interest revenue	-	-	-	-
Total Revenues:	<u>315,000</u>	<u>315,000</u>	<u>342,952</u>	<u>\$ 27,952</u>
Prior Year Funds Rebudgeted	58,174	58,174		
	<u>\$ 373,174</u>	<u>\$ 373,174</u>		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			<u>\$ 342,952</u>	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	373,174	373,174	228,636	144,538
Intra-agency transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	<u>373,174</u>	<u>373,174</u>	<u>228,636</u>	<u>144,538</u>
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Annual Budgeted Expenditures	<u>\$ 373,174</u>	<u>\$ 373,174</u>	<u>228,636</u>	<u>\$ 144,538</u>
Reconciliation to GAAP expenditures:				
Accruals			-	
Transfers in (out)			-	
Amortization and reversions			-	
Total GAAP Expenditures			<u>\$ 228,636</u>	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	MOTORCYCLE TRAINING FUND (SHARE 20600)			
	Budgeted Amounts		Actual	
	Original	Final	Amounts (Modified Accrual)	Variance Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	139,000	139,000	138,068	(932)
Interest revenue	-	-	179	179
Total Revenues:	<u>139,000</u>	<u>139,000</u>	<u>138,247</u>	<u>\$ (753)</u>
Prior Year Funds Rebudgeted	118,189	118,189		
	<u>\$ 257,189</u>	<u>\$ 257,189</u>		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			<u>\$ 138,247</u>	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	257,189	257,189	183,683	73,506
Intra-agency transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	<u>257,189</u>	<u>257,189</u>	<u>183,683</u>	<u>73,506</u>
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Annual Budgeted Expenditures	<u>\$ 257,189</u>	<u>\$ 257,189</u>	<u>183,683</u>	<u>\$ 73,506</u>
Reconciliation to GAAP expenditures:				
Accruals			-	
Transfers in (out)			-	
Amortization and reversions			-	
Total GAAP Expenditures			<u>\$ 183,683</u>	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	DWI PREVENTION AND EDUCATION FUND (SHARE 20700)			
	Budgeted Amounts		Actual	
	Original	Final	Amounts (Modified Accrual)	Variance Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	740,000	740,000	532,307	(207,693)
Interest revenue	-	-	-	-
Total Revenues:	<u>740,000</u>	<u>740,000</u>	<u>532,307</u>	<u>\$ (207,693)</u>
Prior Year Funds Rebudgeted	1,553,528	1,553,528		
	<u>\$ 2,293,528</u>	<u>\$ 2,293,528</u>		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			<u>\$ 532,307</u>	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ 80,900	\$ 80,900	\$ 43,311	\$ 37,589
Contractual services	-	-	-	-
Other	2,212,628	2,212,628	548,037	1,664,591
Intra-agency transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	<u>2,293,528</u>	<u>2,293,528</u>	<u>591,348</u>	<u>1,702,180</u>
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Annual Budgeted Expenditures	<u>\$ 2,293,528</u>	<u>\$ 2,293,528</u>	<u>591,348</u>	<u>\$ 1,702,180</u>
Reconciliation to GAAP expenditures:				
Accruals			81,410	
Transfers in (out)			-	
Amortization and reversions			-	
Total GAAP Expenditures			<u>\$ 672,758</u>	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	TRAFFIC SAFETY FUND (SHARE 20800)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	1,766,000	1,766,000	1,400,808	(365,192)
Interest revenue	-	-	2,316	2,316
Total Revenues:	<u>1,766,000</u>	<u>1,766,000</u>	<u>1,403,124</u>	<u>\$ (362,876)</u>
Prior Year Funds Rebudgeted	<u>1,403,204</u>	<u>1,403,204</u>		
	<u>\$ 3,169,204</u>	<u>\$ 3,169,204</u>		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			<u>\$ 1,403,124</u>	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	3,169,204	3,169,204	1,292,333	1,876,871
Intra-agency transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	<u>3,169,204</u>	<u>3,169,204</u>	<u>1,292,333</u>	<u>1,876,871</u>
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Annual Budgeted Expenditures	<u>\$ 3,169,204</u>	<u>\$ 3,169,204</u>	<u>1,292,333</u>	<u>\$ 1,876,871</u>
Reconciliation to GAAP expenditures:				
Accruals			357,650	
Transfers in (out)			-	
Amortization and reversions			-	
Total GAAP Expenditures			<u>\$ 1,649,983</u>	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	IGNITION INTERLOCK FUND (SHARE 82600)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	1,250,000	1,250,000	1,385,074	135,074
Transfers outside the agency	-	-	300,000	300,000
Total Revenues:	<u>1,250,000</u>	<u>1,250,000</u>	<u>1,685,074</u>	<u>\$ 435,074</u>
Prior Year Funds Rebudgeted	-	-		
	<u>\$ 1,250,000</u>	<u>\$ 1,250,000</u>		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			(300,000)	
Total GAAP Revenues			<u>\$ 1,385,074</u>	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ 58,000	\$ 58,000	\$ 54,037	\$ 3,963
Contractual services	-	-	(14,051)	14,051
Other	1,192,000	1,192,000	240,945	951,055
Intra-agency transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	<u>1,250,000</u>	<u>1,250,000</u>	<u>280,931</u>	<u>969,069</u>
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Annual Budgeted Expenditures	<u>\$ 1,250,000</u>	<u>\$ 1,250,000</u>	<u>280,931</u>	<u>\$ 969,069</u>
Reconciliation to GAAP expenditures:				
Accruals			(9,876)	
Transfers in (out)			-	
Amortization and reversions			-	
Total GAAP Expenditures			<u>\$ 271,055</u>	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	FEDERAL PLANNING AND DEVELOPMENT FUND (SHARE 10030)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
Revenues:				
Federal funds	\$ 17,574,900	\$ 21,274,197	\$ 18,660,602	\$ (2,613,595)
Other state funds	-	-	54,744	54,744
Interest revenue	-	-	-	-
Total Revenues:	<u>17,574,900</u>	<u>21,274,197</u>	<u>18,715,346</u>	<u>\$ (2,558,851)</u>
Prior Year Funds Rebudgeted	8,494,936	8,494,936		
	<u>\$ 26,069,836</u>	<u>\$ 29,769,133</u>		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			<u>\$ 18,715,346</u>	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ 456,500	\$ 456,500	\$ 417,101	\$ 39,399
Contractual services	-	-	-	-
Other	25,613,336	29,312,633	18,183,048	11,129,585
Intra-agency transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	<u>26,069,836</u>	<u>29,769,133</u>	<u>18,600,149</u>	<u>11,168,984</u>
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Annual Budgeted Expenditures	<u>\$ 26,069,836</u>	<u>\$ 29,769,133</u>	<u>18,600,149</u>	<u>\$ 11,168,984</u>
Reconciliation to GAAP expenditures:				
Accruals			240,262	
Transfers in (out)			-	
Amortization and reversions			-	
Total GAAP Expenditures			<u>\$ 18,840,411</u>	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	HIF BOND FUND (SHARE 20200)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	5,691,600	5,691,600	7,562,267	1,870,667
Interest revenue	-	-	16,300	16,300
Total Revenues:	<u>5,691,600</u>	<u>5,691,600</u>	<u>7,578,567</u>	<u>\$ 1,886,967</u>
Prior Year Funds Rebudgeted	-	-		
	<u>\$ 5,691,600</u>	<u>\$ 5,691,600</u>		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			<u>\$ 7,578,567</u>	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	1,000,000	1,000,000	-	1,000,000
Other	4,691,600	4,691,600	4,403,946	287,654
Intra-agency transfers (in) out	-	-	296,180	(296,180)
Reversions	-	-	-	-
	<u>5,691,600</u>	<u>5,691,600</u>	<u>4,700,126</u>	<u>991,474</u>
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Annual Budgeted Expenditures	<u>\$ 5,691,600</u>	<u>\$ 5,691,600</u>	<u>4,700,126</u>	<u>\$ 991,474</u>
Reconciliation to GAAP expenditures:				
Accruals			-	
Transfers in (out)			(296,180)	
Amortization and reversions			-	
Total GAAP Expenditures			<u>\$ 4,403,946</u>	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	LOCAL GOVERNMENT ROAD FUND (SHARE 20300)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	22,105,000	22,105,000	21,269,876	(835,124)
Interest revenue	-	-	29,944	29,944
Total Revenues:	<u>22,105,000</u>	<u>22,105,000</u>	<u>21,299,820</u>	<u>\$ (805,180)</u>
Prior Year Funds Rebudgeted	15,619,018	15,619,018		
	<u>\$ 37,724,018</u>	<u>\$ 37,724,018</u>		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			<u>\$ 21,299,820</u>	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	37,724,018	37,724,018	19,049,560	18,674,458
	<u>37,724,018</u>	<u>37,724,018</u>	<u>19,049,560</u>	<u>18,674,458</u>
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Annual Budgeted Expenditures	<u>\$ 37,724,018</u>	<u>\$ 37,724,018</u>	<u>19,049,560</u>	<u>\$ 18,674,458</u>
Reconciliation to GAAP expenditures:				
Accruals			-	
Transfers in (out)			-	
Amortization and reversions			-	
Total GAAP Expenditures			<u>\$ 19,049,560</u>	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	STATE AVIATION FUND (SHARE 20500)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ 138,581	\$ 138,581
Other state funds	6,130,000	11,130,000	6,998,352	(4,131,648)
Interest revenue	-	-	20,259	20,259
Total Revenues:	<u>6,130,000</u>	<u>11,130,000</u>	<u>7,157,192</u>	<u>\$ (3,972,808)</u>
Prior Year Funds Rebudgeted	4,661,326	(338,674)		
	<u>\$ 10,791,326</u>	<u>\$ 10,791,326</u>		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			<u>\$ 7,157,192</u>	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ 393,400	\$ 393,400	\$ 294,937	\$ 98,463
Contractual services	1,384,921	1,384,921	331,800	1,053,121
Other	9,013,005	9,013,005	2,370,775	6,642,230
Intra-agency transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	<u>10,791,326</u>	<u>10,791,326</u>	<u>2,997,512</u>	<u>7,793,814</u>
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	716,406	(716,406)
	<u>-</u>	<u>-</u>	<u>716,406</u>	<u>(716,406)</u>
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Annual Budgeted Expenditures	<u>\$ 10,791,326</u>	<u>\$ 10,791,326</u>	<u>3,713,918</u>	<u>\$ 7,077,408</u>
Reconciliation to GAAP expenditures:				
Accruals			118,688	
Transfers in (out)			-	
Amortization and reversions			-	
Total GAAP Expenditures			<u>\$ 3,832,606</u>	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	1993 BOND PROJECT FUND (SHARE 39400)			
	Budgeted Amounts		Actual	
	Original	Final	Amounts (Modified Accrual)	Variance Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	2,380	2,380
Total Revenues:	-	-	2,380	\$ 2,380
Prior Year Funds Rebudgeted	-	-		
	\$ -	\$ -		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			\$ 2,380	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	-	-	-	-
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	-	-	-	-
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
	-	-	-	-
Total Annual Budgeted Expenditures	\$ -	\$ -	-	\$ -
Reconciliation to GAAP expenditures:				
Accruals			-	
Transfers in (out)			-	
Amortization and reversions			-	
Total GAAP Expenditures			\$ -	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	1999A CHAT BOND PROJECT FUND (SHARE 43000)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	3,161	3,161
Total Revenues:	-	-	3,161	\$ 3,161
Prior Year Funds Rebudgeted	-	-		
	\$ -	\$ -		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			\$ 3,161	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Reversions	-	-	-	-
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Total Annual Budgeted Expenditures	\$ -	\$ -	-	\$ -
Reconciliation to GAAP expenditures:				
Accruals			-	
Transfers in (out)			-	
Amortization and reversions			-	
Total GAAP Expenditures			\$ -	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	WIPP BOND PROJECT FUND (SHARE 43100)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
Revenues:				
Federal funds	\$ -	\$ 23,000,000	\$ 11,545,850	\$ (11,454,150)
Other state funds	-	-	-	-
Interest revenue	-	-	27,564	27,564
Total Revenues:	-	23,000,000	11,573,414	\$ (11,426,586)
Prior Year Funds Rebudgeted	2,536,552	1,536,552		
	\$ 2,536,552	\$ 24,536,552		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			\$ 11,573,414	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	2,536,552	24,536,552	-	24,536,552
Other	-	-	11,545,850	(11,545,850)
Intra-agency transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	2,536,552	24,536,552	11,545,850	12,990,702
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	-	-	-	-
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
	-	-	-	-
Total Annual Budgeted Expenditures	\$ 2,536,552	\$ 24,536,552	11,545,850	\$ 12,990,702
Reconciliation to GAAP expenditures:				
Accruals			-	
Transfers in (out)			-	
Amortization and reversions			-	
Total GAAP Expenditures			\$ 11,545,850	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	2001A CHAT BOND PROJECT FUND (SHARE 00600)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	7,042	7,042
Total Revenues:	-	-	7,042	\$ 7,042
Prior Year Funds Rebudgeted	-	-		
	\$ -	\$ -		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			\$ 7,042	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	-	-	-	-
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	-	-	-	-
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
	-	-	-	-
Total Annual Budgeted Expenditures	\$ -	\$ -	-	\$ -
Reconciliation to GAAP expenditures:				
Accruals			-	
Transfers in (out)			-	
Amortization and reversions			-	
Total GAAP Expenditures			\$ -	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	2002C HIF BOND PROJECT FUND (SHARE 36100)			
	Budgeted Amounts		Actual	
	Original	Final	Amounts (Modified Accrual)	Variance Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	1,946	1,946
Total Revenues:	-	-	1,946	\$ 1,946
Prior Year Funds Rebudgeted	-	-		
	\$ -	\$ -		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			\$ 1,946	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Reversions	-	-	-	-
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Total Annual Budgeted Expenditures	\$ -	\$ -	-	\$ -
Reconciliation to GAAP expenditures:				
Accruals			-	
Transfers in (out)			-	
Amortization and reversions			-	
Total GAAP Expenditures			\$ -	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	2002D CHAT BOND PROJECT FUND (SHARE 11500)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	951	951
Total Revenues:	-	-	951	\$ 951
Prior Year Funds Rebudgeted	-	-		
	\$ -	\$ -		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			\$ 951	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Reversions	-	-	-	-
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Total Annual Budgeted Expenditures	\$ -	\$ -	-	\$ -
Reconciliation to GAAP expenditures:				
Accruals			-	
Transfers in (out)			-	
Amortization and reversions			-	
Total GAAP Expenditures			\$ -	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	2004A GRIP BOND PROJECT FUND (SHARE 20400)			
	Budgeted Amounts		Actual	
	Original	Final	Amounts (Modified Accrual)	Variance Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	445	445
Total Revenues:	-	-	445	\$ 445
Prior Year Funds Rebudgeted	-	-		
	\$ -	\$ -		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			\$ 445	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	6,684,035	(6,684,035)
Intra-agency transfers (in) out	-	-	38	(38)
Reversions	-	-	-	-
	-	-	6,684,073	(6,684,073)
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
	-	-	-	-
Total Annual Budgeted Expenditures	\$ -	\$ -	6,684,073	\$ (6,684,073)
Reconciliation to GAAP expenditures:				
Accruals			-	
Transfers in (out)			(38)	
Amortization and reversions			-	
Total GAAP Expenditures			\$ 6,684,035	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	2006A GRIP BOND PROJECT FUND (SHARE 10210)			
	Budgeted Amounts		Actual	
	Original	Final	Amounts (Modified Accrual)	Variance Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	(64)	(64)
Total Revenues:	-	-	(64)	\$ (64)
Prior Year Funds Rebudgeted	-	-		
	\$ -	\$ -		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			\$ (64)	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	11,909,548	(11,909,548)
Intra-agency transfers (in) out	-	-	1,527,069	(1,527,069)
Reversions	-	-	-	-
	-	-	13,436,617	(13,436,617)
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Total Annual Budgeted Expenditures	\$ -	\$ -	13,436,617	\$ (13,436,617)
Reconciliation to GAAP expenditures:				
Accruals			-	
Transfers in (out)			(1,527,069)	
Amortization and reversions			-	
Total GAAP Expenditures			\$ 11,909,548	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	2006B GRIP BOND PROJECT FUND (SHARE 10230)			
	Budgeted Amounts		Actual	
	Original	Final	Amounts (Modified Accrual)	Variance Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	9	9
Total Revenues:	-	-	9	\$ 9
Prior Year Funds Rebudgeted	-	-		
	\$ -	\$ -		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			\$ 9	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	73,303	(73,303)
Intra-agency transfers (in) out	-	-	(83,686)	83,686
Reversions	-	-	-	-
	-	-	(10,383)	10,383
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Total Annual Budgeted Expenditures	\$ -	\$ -	(10,383)	\$ 10,383
Reconciliation to GAAP expenditures:				
Accruals			-	
Transfers in (out)			83,686	
Amortization and reversions			-	
Total GAAP Expenditures			\$ 73,303	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	2006C GRIP BOND PROJECT FUND (SHARE 10250)			
	Budgeted Amounts		Actual	
	Original	Final	Amounts (Modified Accrual)	Variance Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	1,790	1,790
Total Revenues:	-	-	1,790	\$ 1,790
Prior Year Funds Rebudgeted	-	-		
	\$ -	\$ -		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			\$ 1,790	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	12,550,528	(12,550,528)
Intra-agency transfers (in) out	-	-	(1,443,315)	1,443,315
Reversions	-	-	-	-
	-	-	11,107,213	(11,107,213)
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	68	(68)
	-	-	68	(68)
Total Annual Budgeted Expenditures	\$ -	\$ -	11,107,281	\$ (11,107,281)
Reconciliation to GAAP expenditures:				
Accruals			-	
Transfers in (out)			1,443,247	
Amortization and reversions			-	
Total GAAP Expenditures			\$ 12,550,528	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	2006D GRIP BOND PROJECT FUND (SHARE 10270)			
	Budgeted Amounts		Actual	
	Original	Final	Amounts (Modified Accrual)	Variance Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	22,523	22,523
Total Revenues:	-	-	22,523	\$ 22,523
Prior Year Funds Rebudgeted	-	-		
	\$ -	\$ -		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			\$ 22,523	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	1,284	(1,284)
Intra-agency transfers (in) out	-	-	19,661	(19,661)
Reversions	-	-	-	-
	-	-	20,945	(20,945)
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Total Annual Budgeted Expenditures	\$ -	\$ -	20,945	\$ (20,945)
Reconciliation to GAAP expenditures:				
Accruals			-	
Transfers in (out)			(19,661)	
Amortization and reversions			-	
Total GAAP Expenditures			\$ 1,284	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	ARRA PROJECT FUND (SHARE 89000)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
Revenues:				
Federal funds	\$ -	\$ 70,698	\$ 31,601,280	\$ 31,530,582
Other state funds	-	-	-	-
Interest revenue	-	-	-	-
Total Revenues:	-	70,698	31,601,280	\$ 31,530,582
Prior Year Funds Rebudgeted	-	-		
	\$ -	\$ 70,698		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			\$ 31,601,280	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	845,154	(845,154)
Other	-	70,698	28,002,416	(27,931,718)
Intra-agency transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	-	70,698	28,847,570	(28,776,872)
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
	-	-	-	-
Total Annual Budgeted Expenditures	\$ -	\$ 70,698	28,847,570	\$ (28,776,872)
Reconciliation to GAAP expenditures:				
Accruals			845,154	
Transfers in (out)			-	
Amortization and reversions			-	
Total GAAP Expenditures			\$ 29,692,724	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	1998A WIPP BOND DEBT SERVICE (SHARE 97200)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	30	30
Total Revenues:	-	-	30	\$ 30
Prior Year Funds Rebudgeted	-	-		
	\$ -	\$ -		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			\$ 30	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Reversions	-	-	-	-
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Total Annual Budgeted Expenditures	\$ -	\$ -	-	\$ -
Reconciliation to GAAP expenditures:				
Accruals			-	
Transfers in (out)			-	
Amortization and reversions			-	
Total GAAP Expenditures			\$ -	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	1998A CHAT BOND DEBT SERVICE (SHARE 54800)			
	Budgeted Amounts		Actual	
	Original	Final	Amounts (Modified Accrual)	Variance Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	215	215
Total Revenues:	-	-	215	\$ 215
Prior Year Funds Rebudgeted	-	-		
	\$ -	\$ -		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			\$ 215	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Reversions	-	-	-	-
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Total Annual Budgeted Expenditures	\$ -	\$ -	-	\$ -
Reconciliation to GAAP expenditures:				
Accruals			-	
Transfers in (out)			-	
Amortization and reversions			-	
Total GAAP Expenditures			\$ -	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	1999 CHAT BOND DEBT SERVICE (SHARE 43400)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	428	428
Total Revenues:	-	-	428	\$ 428
Prior Year Funds Rebudgeted	-	-		
	\$ -	\$ -		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			\$ 428	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Reversions	-	-	-	-
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Total Annual Budgeted Expenditures	\$ -	\$ -	-	\$ -
Reconciliation to GAAP expenditures:				
Accruals			-	
Transfers in (out)			-	
Amortization and reversions			-	
Total GAAP Expenditures			\$ -	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	2000 CHAT BOND DEBT SERVICE (SHARE 43200)			
	Budgeted Amounts		Actual	
	Original	Final	Amounts (Modified Accrual)	Variance Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	354	354
Total Revenues:	-	-	354	\$ 354
Prior Year Funds Rebudgeted	-	-		
	\$ -	\$ -		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			\$ 354	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Reversions	-	-	-	-
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Total Annual Budgeted Expenditures	\$ -	\$ -	-	\$ -
Reconciliation to GAAP expenditures:				
Accruals			-	
Transfers in (out)			-	
Amortization and reversions			-	
Total GAAP Expenditures			\$ -	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	2001A CHAT BOND DEBT SERVICE (SHARE 00700)			
	Budgeted Amounts		Actual	
	Original	Final	Amounts (Modified Accrual)	Variance Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	417	417
Total Revenues:	-	-	417	\$ 417
Prior Year Funds Rebudgeted	-	-		
	\$ -	\$ -		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			\$ 417	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Reversions	-	-	-	-
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Total Annual Budgeted Expenditures	\$ -	\$ -	-	\$ -
Reconciliation to GAAP expenditures:				
Accruals			-	
Transfers in (out)			-	
Amortization and reversions			-	
Total GAAP Expenditures			\$ -	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	2002A CHAT BOND DEBT SERVICE (SHARE 54700)			
	Budgeted Amounts		Actual	
	Original	Final	Amounts (Modified Accrual)	Variance Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	153	153
Total Revenues:	-	-	153	\$ 153
Prior Year Funds Rebudgeted	-	-		
	\$ -	\$ -		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			\$ 153	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Reversions	-	-	-	-
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Total Annual Budgeted Expenditures	\$ -	\$ -	-	\$ -
Reconciliation to GAAP expenditures:				
Accruals			-	
Transfers in (out)			-	
Amortization and reversions			-	
Total GAAP Expenditures			\$ -	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	2002B WIPP BOND DEBT SERVICE (SHARE 75000)			
	Budgeted Amounts		Actual	
	Original	Final	Amounts (Modified Accrual)	Variance Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	195	195
Total Revenues:	-	-	195	\$ 195
Prior Year Funds Rebudgeted	-	-		
	\$ -	\$ -		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			\$ 195	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Reversions	-	-	-	-
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Total Annual Budgeted Expenditures	\$ -	\$ -	-	\$ -
Reconciliation to GAAP expenditures:				
Accruals			-	
Transfers in (out)			-	
Amortization and reversions			-	
Total GAAP Expenditures			\$ -	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	2002C HIF BOND DEBT SERVICE (SHARE 36300)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	117	117
Total Revenues:	-	-	117	\$ 117
Prior Year Funds Rebudgeted	-	-		
	\$ -	\$ -		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			\$ 117	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Reversions	-	-	-	-
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	296,180	(296,180)
Intra-agency transfers (in) out	-	-	(296,180)	296,180
Total Annual Budgeted Expenditures	\$ -	\$ -	-	\$ -
Reconciliation to GAAP expenditures:				
Accruals			-	
Transfers in (out)			296,180	
Amortization and reversions			-	
Total GAAP Expenditures			\$ 296,180	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	2002D CHAT BOND DEBT SERVICE (SHARE 18700)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	27	27
Total Revenues:	-	-	27	\$ 27
Prior Year Funds Rebudgeted	-	-		
	\$ -	\$ -		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			\$ 27	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Reversions	-	-	-	-
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	61,425	(61,425)
Intra-agency transfers (in) out	-	-	(61,425)	61,425
Total Annual Budgeted Expenditures	\$ -	\$ -	-	\$ -
Reconciliation to GAAP expenditures:				
Accruals			-	
Transfers in (out)			61,425	
Amortization and reversions			-	
Total GAAP Expenditures			\$ 61,425	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	2004A GRIP BOND DEBT SERVICE (SHARE 10080)			
	Budgeted Amounts		Actual	
	Original	Final	Amounts (Modified Accrual)	Variance Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	399	399
Total Revenues:	-	-	399	\$ 399
Prior Year Funds Rebudgeted	-	-		
	\$ -	\$ -		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			\$ 399	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Reversions	-	-	-	-
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	(38)	38
Total Annual Budgeted Expenditures	\$ -	\$ -	(38)	\$ 38
Reconciliation to GAAP expenditures:				
Accruals			-	
Transfers in (out)			38	
Amortization and reversions			-	
Total GAAP Expenditures			\$ -	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	2004B GRIP BOND DEBT SERVICE (SHARE 10090)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	2,230,715	2,230,715
Total Revenues:	-	-	2,230,715	\$ 2,230,715
Prior Year Funds Rebudgeted	-	-		
	\$ -	\$ -		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			\$ 2,230,715	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Reversions	-	-	-	-
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	2,198,371	(2,198,371)
Intra-agency transfers (in) out	-	-	2,228,766	(2,228,766)
Total Annual Budgeted Expenditures	\$ -	\$ -	4,427,137	\$ (4,427,137)
Reconciliation to GAAP expenditures:				
Accruals			-	
Transfers in (out)			(2,228,766)	
Amortization and reversions			-	
Total GAAP Expenditures			\$ 2,198,371	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	2006A GRIP BOND DEBT SERVICE (SHARE 10220)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	213	213
Total Revenues:	-	-	213	\$ 213
Prior Year Funds Rebudgeted	-	-		
	\$ -	\$ -		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			\$ 213	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	-	-	-	-
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	-	-	-	-
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	(68)	68
	-	-	(68)	68
Total Annual Budgeted Expenditures	\$ -	\$ -	(68)	\$ 68
Reconciliation to GAAP expenditures:				
Accruals			-	
Transfers in (out)			68	
Amortization and reversions			-	
Total GAAP Expenditures			\$ -	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	2006B GRIP BOND DEBT SERVICE (SHARE 10240)			
	Budgeted Amounts		Actual	
	Original	Final	Amounts (Modified Accrual)	Variance Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	76	76
Total Revenues:	-	-	76	\$ 76
Prior Year Funds Rebudgeted	-	-		
	\$ -	\$ -		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			\$ 76	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Reversions	-	-	-	-
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	(68)	68
Total Annual Budgeted Expenditures	\$ -	\$ -	(68)	\$ 68
Reconciliation to GAAP expenditures:				
Accruals			-	
Transfers in (out)			68	
Amortization and reversions			-	
Total GAAP Expenditures			\$ -	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	2008A GRIP BOND DEBT SERVICE (SHARE 10410)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	189,956	189,956
Total Revenues:	-	-	189,956	\$ 189,956
Prior Year Funds Rebudgeted	-	-		
	\$ -	\$ -		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			\$ 189,956	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Reversions	-	-	-	-
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	388,453	(388,453)
Intra-agency transfers (in) out	-	-	(1,283,773)	1,283,773
Total Annual Budgeted Expenditures	\$ -	\$ -	(895,320)	895,320
	\$ -	\$ -	(895,320)	\$ 895,320
Reconciliation to GAAP expenditures:				
Accruals			-	
Transfers in (out)			1,283,773	
Amortization and reversions			-	
Total GAAP Expenditures			\$ 388,453	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	2008B GRIP BOND DEBT SERVICE (SHARE 10420)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	1,077,659	1,077,659
Total Revenues:	-	-	1,077,659	\$ 1,077,659
Prior Year Funds Rebudgeted	-	-		
	\$ -	\$ -		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			\$ 1,077,659	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Reversions	-	-	-	-
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	2,048,675	(2,048,675)
Intra-agency transfers (in) out	-	-	(17)	17
Total Annual Budgeted Expenditures	\$ -	\$ -	2,048,658	\$ (2,048,658)
Reconciliation to GAAP expenditures:				
Accruals			-	
Transfers in (out)			17	
Amortization and reversions			-	
Total GAAP Expenditures			\$ 2,048,675	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	2008C GRIP BOND DEBT SERVICE (SHARE 10430)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	139,661	139,661
Total Revenues:	-	-	139,661	\$ 139,661
Prior Year Funds Rebudgeted	-	-		
	\$ -	\$ -		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			\$ 139,661	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Reversions	-	-	-	-
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	1,024,594	(1,024,594)
Intra-agency transfers (in) out	-	-	(944,999)	944,999
Total Annual Budgeted Expenditures	\$ -	\$ -	79,595	(79,595)
	\$ -	\$ -	79,595	\$ (79,595)
Reconciliation to GAAP expenditures:				
Accruals			-	
Transfers in (out)			944,999	
Amortization and reversions			-	
Total GAAP Expenditures			\$ 1,024,594	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	2008D GRIP BOND DEBT SERVICE (SHARE 10440)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	301	301
Total Revenues:	-	-	301	\$ 301
Prior Year Funds Rebudgeted	-	-		
	\$ -	\$ -		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			\$ 301	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Reversions	-	-	-	-
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	(19,661)	19,661
Total Annual Budgeted Expenditures	\$ -	\$ -	(19,661)	\$ 19,661
Reconciliation to GAAP expenditures:				
Accruals			-	
Transfers in (out)			19,661	
Amortization and reversions			-	
Total GAAP Expenditures			\$ -	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	2009A BOND DEBT SERVICE (SHARE 11130)			
	Budgeted Amounts		Actual	
	Original	Final	Amounts (Modified Accrual)	Variance Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	1,342	1,342
Total Revenues:	-	-	1,342	\$ 1,342
Prior Year Funds Rebudgeted	-	-		
	\$ -	\$ -		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			\$ 1,342	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Reversions	-	-	-	-
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Total Annual Budgeted Expenditures	\$ -	\$ -	-	\$ -
Reconciliation to GAAP expenditures:				
Accruals			-	
Transfers in (out)			-	
Amortization and reversions			-	
Total GAAP Expenditures			\$ -	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	2010A BOND DEBT SERVICE (SHARE 11140)			
	Budgeted Amounts		Actual	
	Original	Final	Amounts (Modified Accrual)	Variance Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	360	360
Total Revenues:	-	-	360	\$ 360
Prior Year Funds Rebudgeted	-	-		
	\$ -	\$ -		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			\$ 360	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Reversions	-	-	-	-
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	24	(24)
Total Annual Budgeted Expenditures	\$ -	\$ -	24	\$ (24)
Reconciliation to GAAP expenditures:				
Accruals			-	
Transfers in (out)			-	
Amortization and reversions			(24)	
Total GAAP Expenditures			\$ -	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	2010B GRIP BOND DEBT SERVICE FUND (SHARE 20450)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	1,122	1,122
Total Revenues:	-	-	1,122	\$ 1,122
Prior Year Funds Rebudgeted	-	-		
	\$ -	\$ -		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			\$ 1,122	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Reversions	-	-	-	-
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	1,511	(1,511)
Intra-agency transfers (in) out	-	-	-	-
Total Annual Budgeted Expenditures	\$ -	\$ -	1,511	\$ (1,511)
Reconciliation to GAAP expenditures:				
Accruals			-	
Transfers in (out)			-	
Amortization and reversions			-	
Total GAAP Expenditures			\$ 1,511	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	STATE INFRASTRUCTURE BANK (SHARE 89300)			
	Budgeted Amounts		Actual	
	Original	Final	Amounts (Modified Accrual)	Variance Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	1,471,000	1,471,000	-	(1,471,000)
Interest revenue	-	-	68,642	68,642
Total Revenues:	<u>1,471,000</u>	<u>1,471,000</u>	<u>68,642</u>	<u>\$ (1,402,358)</u>
Prior Year Funds Rebudgeted	<u>1,189,000</u>	<u>1,189,000</u>		
	<u>\$ 2,660,000</u>	<u>\$ 2,660,000</u>		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			<u>\$ 68,642</u>	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	2,660,000	2,660,000	-	2,660,000
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	<u>2,660,000</u>	<u>2,660,000</u>	<u>-</u>	<u>2,660,000</u>
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Annual Budgeted Expenditures	<u>\$ 2,660,000</u>	<u>\$ 2,660,000</u>	<u>-</u>	<u>\$ 2,660,000</u>
Reconciliation to GAAP expenditures:				
Accruals			-	
Transfers in (out)			-	
Amortization and reversions			-	
Total GAAP Expenditures			<u>\$ -</u>	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	CAPITAL PROJECTS FUND (SHARE 10050)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	-	-
Total Revenues:	-	-	-	\$ -
Prior Year Funds Rebudgeted	-	-		
	\$ -	\$ -		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			\$ -	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	665,587	(665,587)
Intra-agency transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	-	-	665,587	(665,587)
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Total Annual Budgeted Expenditures	\$ -	\$ -	665,587	\$ (665,587)
Reconciliation to GAAP expenditures:				
Accruals			103,699	
Transfers in (out)			-	
Amortization and reversions			-	
Total GAAP Expenditures			\$ 769,286	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	STB APPROPRIATIONS FUND (SHARE 10060)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	276,747	276,747
Transfers outside the agency	-	-	40,445,766	40,445,766
Total Revenues:	-	-	40,722,513	\$ 40,722,513
Prior Year Funds Rebudgeted	-	-		
	\$ -	\$ -		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			(40,445,766)	
Total GAAP Revenues			\$ 276,747	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Reversions	-	-	-	-
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	575,092	(575,092)
Other	-	-	40,900,011	(40,900,011)
Reversions	-	-	1,050,854	(1,050,854)
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Total Annual Budgeted Expenditures	\$ -	\$ -	42,525,957	\$ (42,525,957)
Reconciliation to GAAP expenditures:				
Accruals			-	
Transfers in (out)			-	
Amortization and reversions			(1,050,854)	
Total GAAP Expenditures			\$ 41,475,103	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	GENERAL FUND APPROPRIATIONS FUND (SHARE 10070)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	180,242	180,242
Interest revenue	-	-	-	-
Total Revenues:	-	-	180,242	\$ 180,242
Prior Year Funds Rebudgeted	-	-		
	\$ -	\$ -		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			\$ 180,242	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Reversions	-	-	-	-
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	448,930	(448,930)
Reversions	-	-	28,109	(28,109)
	-	-	477,039	(477,039)
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	-	-	-	-
Total Annual Budgeted Expenditures	\$ -	\$ -	477,039	\$ (477,039)
Reconciliation to GAAP expenditures:				
Accruals			-	
Transfers in (out)			-	
Amortization and reversions			(28,109)	
Total GAAP Expenditures			\$ 448,930	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	STB CAPITAL OUTLAY FUND (SHARE 89200)			
	Budgeted Amounts		Actual	
	Original	Final	Amounts (Modified Accrual)	Variance Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Transfers outside the agency	-	-	5,376,965	5,376,965
Total Revenues:	-	-	5,376,965	\$ 5,376,965
Prior Year Funds Rebudgeted	-	-		
	\$ -	\$ -		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			(5,376,965)	
Total GAAP Revenues			\$ -	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Reversions	-	-	-	-
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	7,421,791	(7,421,791)
Reversions	-	-	-	-
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Total Annual Budgeted Expenditures	\$ -	\$ -	7,421,791	\$ (7,421,791)
Reconciliation to GAAP expenditures:				
Accruals			(2,044,826)	
Transfers in (out)			-	
Amortization and reversions			-	
Total GAAP Expenditures			\$ 5,376,965	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Revenues and Expenditures-Budget and Actual
(Modified Accrual Basis)

For the Year Ended June 30, 2012

	GF CAPITAL OUTLAY FUND (SHARE 93100)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
Revenues:				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Transfers outside the agency	-	-	-	-
Total Revenues:	-	-	-	\$ -
Prior Year Funds Rebudgeted	-	-		
	\$ -	\$ -		
Reconciliations to GAAP Revenues:				
Transfers outside the Agency			-	
Total GAAP Revenues			\$ -	
Expenditures - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Intra-agency transfers (in) out	-	-	-	-
Reversions	-	-	-	-
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Reversions	-	-	-	-
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Total Annual Budgeted Expenditures	\$ -	\$ -	-	\$ -
Reconciliation to GAAP expenditures:				
Accruals			-	
Transfers in (out)			-	
Amortization and reversions			-	
Total GAAP Expenditures			\$ -	

The legal level of budgetary compliance is at the appropriation unit level at the entity-wide level, except for multiyear funds.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Combining Balance Sheet-State Road Fund(s)

As of June 30, 2012

	Departmental Services- Inventories (SHARE 10040)	1998A Bond Fund US 70 Fund (SHARE 10140)	State Road Fund (SHARE 20100)	Rubberized Asphalt Fund (SHARE 82000)	State Road Fund(s) (SHARE 10040, 10140, 20100, 82000)
Assets:					
Cash:					
Unrestricted	\$ -	\$ -	\$ 2,600	\$ -	\$ 2,600
Restricted	-	-	-	-	-
Cash Equivalents: investment in state general fund investment pool)					
Unrestricted	-	-	-	-	-
Restricted	-	-	155,182,493	71	155,182,564
Managed by NMFA	-	11,066	65,032	-	76,098
Receivables:					
Taxes receivable, net	-	-	57,115,473	-	57,115,473
Accounts receivable, net	-	-	3,058,519	-	3,058,519
Interest receivable	-	-	195,582	-	195,582
Notes and loans receivable	-	-	6,397	-	6,397
Other receivables	-	-	99,731	-	99,731
Due from:					
U.S. Department of Transportation	-	-	42,576,769	-	42,576,769
Other funds	656,942	-	7,174,604	-	7,831,546
Other state agencies	-	-	21,443	-	21,443
Inventories	13,260,425	-	-	-	13,260,425
Prepaid expenses - other	-	-	3,387	-	3,387
Prepaid expenses - risk management	-	-	-	-	-
Prepaid expense - NM44 warranty	-	-	26,504,186	-	26,504,186
Property held for resale	-	-	9,029,214	-	9,029,214
Total Assets	\$ 13,917,367	\$ 11,066	\$ 301,035,430	\$ 71	\$ 314,963,934
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	\$ 316,430	\$ -	\$ 65,267,828	\$ -	\$ 65,584,258
Due to other funds	169,364	11,066	1,143,418	71	1,323,919
Due to other agencies	10,830,639	-	-	-	10,830,639
Due to state general fund	-	-	16,456	-	16,456
Deferred revenue	-	-	3,708,135	-	3,708,135
Other accrued expenses	-	-	3,962,872	-	3,962,872
Other liabilities	587,222	-	(85,212)	-	502,010
Short-term notes payable (taxable line of credit)	-	-	-	-	-
Total Liabilities	11,903,655	11,066	74,013,497	71	85,928,289
Non-spendable	2,013,712	-	35,536,787	-	37,550,499
Restricted	-	-	-	-	-
Committed	-	-	191,485,146	-	191,485,146
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	2,013,712	-	227,021,933	-	229,035,645
Total Liabilities and Fund Balances	\$ 13,917,367	\$ 11,066	\$ 301,035,430	\$ 71	\$ 314,963,934

See Report of Independent Auditors

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Combining Statement of Revenues, Expenditures and Changes in Fund Balance-State Road Fund(s)

For the Year Ended June 30, 2012

	Departmental Services- Inventories (SHARE 10040)	1998A Bond Fund US 70 Fund (SHARE 10140)	State Road Fund (SHARE 20100)	Rubberized Asphalt Fund (SHARE 82000)	State Road Fund(s) (SHARE 10040, 10140, 20100, 82000)
Revenues:					
User and fuel taxes	\$ -	\$ -	\$ 360,092,177	\$ -	\$ 360,092,177
U.S. Department of Transportation	-	-	405,584,655	-	405,584,655
U.S. Department of Energy	-	-	-	-	-
Fees and fines	-	-	-	-	-
Licenses and permits	-	-	5,667,260	-	5,667,260
Charges for services	-	-	2,374,255	-	2,374,255
DWI interlock device	-	-	-	-	-
Other revenue	19	-	11,955,622	-	11,955,641
Interest earnings	-	-	108,827	-	108,827
Total Revenues	19	-	785,782,796	-	785,782,815
Expenditures:					
Current:					
Operating costs	-	-	11,299,066	-	11,299,066
Personal services	-	-	86,308,690	-	86,308,690
Out-of-state travel	-	-	27,695	-	27,695
Grants and services	-	-	2,637,304	-	2,637,304
Travel	-	-	18,630,369	-	18,630,369
Maintenance and repairs	-	-	8,079,247	-	8,079,247
Supplies	-	-	34,298,708	-	34,298,708
Contractual services	-	-	60,808,565	-	60,808,565
Other costs	492,954	-	5,214,502	-	5,707,456
Employee benefits	-	-	40,145,892	-	40,145,892
Capital outlay	-	-	310,104,658	-	310,104,658
Debt service:					
Principal	-	-	64,265,035	-	64,265,035
Interest	-	-	77,196,530	-	77,196,530
Trustee and broker fees	-	-	-	-	-
Debt issuance costs	-	-	-	-	-
Total Expenditures	492,954	-	719,016,261	-	719,509,215
Excess (Deficiency) of Revenues Over (Under) Expenditures	(492,935)	-	66,766,535	-	66,273,600
Other Financing Sources (Uses):					
Appropriations, net of reversions	-	(11,066)	-	(71)	(11,137)
Transfers: severance					
tax bond appropriation	-	-	-	-	-
Transfers from (to) other agencies	-	-	(6,796,000)	-	(6,796,000)
Transfers from (to) escrow agent	-	-	-	-	-
Transfers: intra-agency	-	-	(61,424)	-	(61,424)
Proceeds from LT notes payable	-	-	-	-	-
Face value of debentures payable	-	-	-	-	-
Premiums of debentures payable	-	-	-	-	-
Total Other Financing Sources (Uses)	-	(11,066)	(6,857,424)	(71)	(6,868,561)
Net Changes in Fund Balances	(492,935)	(11,066)	59,909,111	(71)	59,405,039
Fund Balance, June 30, 2011	2,506,647	11,066	167,112,822	71	169,630,606
Fund Balance, June 30, 2012	\$ 2,013,712	\$ -	\$ 227,021,933	\$ -	\$ 229,035,645

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Combining Balance Sheet-Traffic Safety Fund(s)

As of June 30, 2012

	Federal Traffic Safety Fund (SHARE 10010)	Driver Improvement Fund (SHARE 10020)	Motorcycle Training Fund (SHARE 20600)	DWI Prevention and Education Fund (SHARE 20700)	Traffic Safety Fund (SHARE 20800)	Ignition Interlock (SHARE 82600)
Assets:						
Cash:						
Unrestricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-
Cash Equivalents: investment in state general fund investment pool)						
Unrestricted	-	-	-	-	-	-
Restricted	2,809,094	574,967	109,877	1,820,271	1,525,328	2,733,099
Managed by NMFA	-	-	-	-	-	-
Receivables:						
Taxes receivable, net	-	-	15,777	41,145	117,380	85,698
Accounts receivable, net	-	700	-	-	-	-
Interest receivable	-	-	-	-	-	-
Notes and loans receivable	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-
Due from:						
U.S. Department of Transportation	4,963,858	-	-	-	-	-
Other funds	7,548	300	-	-	-	-
Other state agencies	-	-	31	-	320	-
Inventories	-	-	-	-	-	-
Prepaid expenses - other	-	-	-	-	-	-
Prepaid expenses - risk management	-	-	-	-	-	-
Prepaid expense - NM44 warranty	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-
Total Assets	\$ 7,780,500	\$ 575,967	\$ 125,685	\$ 1,861,416	\$ 1,643,028	\$ 2,818,797
Liabilities and Fund Balances:						
Liabilities:						
Accounts payable	\$ 2,137,808	\$ 37,291	\$ 52,463	\$ 114,340	\$ 649,668	\$ 28,265
Due to other funds	1,683	700	-	-	-	-
Due to other agencies	-	-	-	-	-	-
Due to state general fund	-	-	-	-	-	-
Deferred revenue	2,121,126	-	-	-	-	-
Other accrued expenses	17,761	-	-	-	-	2,193
Other liabilities	-	-	-	-	-	-
Short-term notes payable (taxable line of credit)	-	-	-	-	-	-
Total Liabilities	4,278,378	37,991	52,463	114,340	649,668	30,458
Non-spendable						
Restricted	3,502,122	-	73,222	1,747,076	993,360	2,788,339
Committed	-	537,976	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total Fund Balances	3,502,122	537,976	73,222	1,747,076	993,360	2,788,339
Total Liabilities and Fund Balances	\$ 7,780,500	\$ 575,967	\$ 125,685	\$ 1,861,416	\$ 1,643,028	\$ 2,818,797

NEW MEXICO DEPARTMENT OF TRANSPORTATION
 Combining Balance Sheet-Traffic Safety Fund(s)

**Traffic Safety
 Fund(s)
 (SHARE 10010,
 10020, 20600, 20700,
 20800, 82600)**

\$ -
 -
 -
 9,572,636
 -
 260,000
 700
 -
 -
 -
 4,963,858
 7,848
 351
 -
 -
 -
 -
\$ 14,805,393

\$ 3,019,835
 2,383
 -
 -
 2,121,126
 19,954
 -
 -
5,163,298

-
 9,104,119
 537,976
 -
 -
9,642,095

\$ 14,805,393

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Combining Statement of Revenues, Expenditures and Changes in Fund Balance-Traffic Safety Fund(s)

For the Year Ended June 30, 2012

	Federal Traffic Safety Fund (SHARE 10010)	Driver Improvement Fund (SHARE 10020)	Motorcycle Training Fund (SHARE 20600)	DWI Prevention and Education Fund (SHARE 20700)
Revenues:				
User and fuel taxes	\$ -	\$ -	\$ -	\$ -
U.S. Department of Transportation	12,031,664	-	-	-
U.S. Department of Energy	-	-	-	-
Fees and fines	-	-	-	-
Licenses and permits	-	342,952	138,068	529,791
Charges for services	-	-	-	-
DWI interlock device	-	-	-	-
Other revenue	43,565	-	-	2,516
Interest earnings	-	-	179	-
Total Revenues	12,075,229	342,952	138,247	532,307
Expenditures:				
Current:				
Operating costs	-	-	-	-
Personal services	415,022	-	-	32,135
Out-of-state travel	2,856	-	-	-
Grants and services	9,652,929	228,636	183,683	629,447
Travel	53	-	-	-
Maintenance and repairs	-	-	-	-
Supplies	-	-	-	-
Contractual services	98,479	-	-	-
Other costs	-	-	-	-
Employee benefits	139,364	-	-	11,176
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Trustee and broker fees	-	-	-	-
Debt issuance costs	-	-	-	-
Total Expenditures	10,308,703	228,636	183,683	672,758
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,766,526	114,316	(45,436)	(140,451)
Other Financing Sources (Uses):				
Appropriations, net of reversions	-	-	-	-
Transfers: severance	-	-	-	-
tax bond appropriation	-	-	-	-
Transfers from (to) other agencies	-	-	-	-
Transfers from (to) escrow agent	-	-	-	-
Transfers: intra-agency	-	-	-	-
Proceeds from LT notes payable	-	-	-	-
Face value of debentures payable	-	-	-	-
Premiums of debentures payable	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Changes in Fund Balances	1,766,526	114,316	(45,436)	(140,451)
Fund Balance, June 30, 2011	1,735,596	423,660	118,658	1,887,527
Fund Balance, June 30, 2012	\$ 3,502,122	\$ 537,976	\$ 73,222	\$ 1,747,076

See Report of Independent Auditors

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Combining Statement of Revenues, Expenditures and Changes in Fund Balance-Traffic Safety Fund(s)

Traffic Safety Fund (SHARE 20800)	Ignition Interlock (SHARE 82600)	Traffic Safety Fund(s) (SHARE 10010, 10020, 20600, 20700, 20800, 82600)
\$ -	\$ -	\$ -
-	-	12,031,664
-	-	-
-	-	-
1,400,808	-	2,411,619
-	-	-
-	1,376,576	1,376,576
-	8,498	54,579
2,316	-	2,495
<u>1,403,124</u>	<u>1,385,074</u>	<u>15,876,933</u>
-	-	-
-	33,473	480,630
-	-	2,856
1,649,983	231,069	12,575,747
-	-	53
-	-	-
-	(14,051)	84,428
-	-	-
-	20,564	171,104
-	-	-
-	-	-
-	-	-
-	-	-
<u>1,649,983</u>	<u>271,055</u>	<u>13,314,818</u>
<u>(246,859)</u>	<u>1,114,019</u>	<u>2,562,115</u>
-	-	-
-	-	-
-	300,000	300,000
-	-	-
-	-	-
-	-	-
-	-	-
<u>-</u>	<u>300,000</u>	<u>300,000</u>
<u>(246,859)</u>	<u>1,414,019</u>	<u>2,862,115</u>
<u>1,240,219</u>	<u>1,374,320</u>	<u>6,779,980</u>
<u>\$ 993,360</u>	<u>\$ 2,788,339</u>	<u>\$ 9,642,095</u>

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Combining Balance Sheet-By Fund Type-Non Major Funds

As of June 30, 2012

	Traffic Safety Fund(s) (SHARE 10010, 10020,20600, 20700, 20800, 82600)	Federal Planning and Development Fund (SHARE 10030)	HIF Bond Fund (SHARE 20200)	Local Government Road Fund (SHARE 20300)
Assets:				
Cash:				
Unrestricted	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Cash Equivalents: investment in state general fund investment pool)				
Unrestricted	-	-	-	-
Restricted	9,572,636	-	11,929,462	20,926,848
Managed by NMFA	-	-	-	-
Receivables:				
Taxes receivable, net	260,000	-	1,216,162	3,378,478
Accounts receivable, net	700	-	-	-
Interest receivable	-	-	-	-
Notes and loans receivable	-	-	-	-
Other receivables	-	-	-	-
Due from:				
U.S. Department of Transportation	4,963,858	2,343,001	-	-
Other funds	7,848	6,211	-	-
Other state agencies	351	-	2,572	4,237
Inventories	-	-	-	-
Prepaid expenses - other	-	-	-	-
Prepaid expenses - risk management	-	-	-	-
Prepaid expense - NM44 warranty	-	-	-	-
Property held for resale	-	-	-	-
Total Assets	\$ 14,805,393	\$ 2,349,212	\$ 13,148,196	\$ 24,309,563
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 3,019,835	\$ 1,112,849	\$ -	\$ 2,128,435
Due to other funds	2,383	114,353	34,586	-
Due to other agencies	-	1,973,178	-	-
Due to state general fund	-	-	-	-
Deferred revenue	2,121,126	248,377	-	-
Other accrued expenses	19,954	18,321	-	-
Other liabilities	-	-	-	-
Short-term notes payable (taxable line of credit)	-	-	-	-
Total Liabilities	5,163,298	3,467,078	34,586	2,128,435
Non-spendable				
Restricted	9,104,119	-	13,113,610	-
Committed	537,976	-	-	22,181,128
Assigned	-	-	-	-
Unassigned (deficit)	-	(1,117,866)	-	-
Total Fund Balances (deficit)	9,642,095	(1,117,866)	13,113,610	22,181,128
Total Liabilities and Fund Balances	\$ 14,805,393	\$ 2,349,212	\$ 13,148,196	\$ 24,309,563

See Report of Independent Auditors

**NEW MEXICO DEPARTMENT OF TRANSPORTATION
Combining Balance Sheet-By Fund Type-Non Major Funds**

State Aviation Fund (SHARE 20500)	1993 Bond Project Fund (SHARE 39400)	1999A CHAT Bond Project Fund (SHARE 43000)	WIPP Bond Project Fund (SHARE 43100)	2001A CHAT Bond Project Fund (SHARE 00600)	2002C HIF Bond Project Fund (SHARE 36100)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14,939,709	1,596,353	2,120,048	14,815,874	4,723,273	1,305,441
524,091	-	-	-	-	-
300	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,047	328	435	3,234	970	268
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ 15,467,147	\$ 1,596,681	\$ 2,120,483	\$ 14,819,108	\$ 4,724,243	\$ 1,305,709
\$ 183,804	\$ -	\$ -	\$ 1,749,440	\$ -	\$ -
16,368	-	-	-	-	-
-	-	-	-	-	-
-	-	-	15,753,071	-	-
14,420	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
214,592	-	-	17,502,511	-	-
-	-	-	-	-	-
-	1,596,681	2,120,483	-	4,724,243	1,305,709
15,252,555	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(2,683,403)	-	-
15,252,555	1,596,681	2,120,483	(2,683,403)	4,724,243	1,305,709
\$ 15,467,147	\$ 1,596,681	\$ 2,120,483	\$ 14,819,108	\$ 4,724,243	\$ 1,305,709

See Report of Independent Auditors

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Combining Balance Sheet-By Fund Type-Non Major Funds

As of June 30, 2012

	2002D CHAT Bond Project Fund (SHARE 11500)	2004A GRIP Bond Project Fund (SHARE 20400)	2006A GRIP Bond Project Fund (SHARE 10210)	2006B GRIP Bond Project Fund SHARE (10230)
Assets:				
Cash:				
Unrestricted	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Cash Equivalents: investment in state general fund investment pool)				
Unrestricted	-	-	-	-
Restricted	637,756	647,758	362,806	49,671
Managed by NMFA	-	108,988	162,234	10,382
Receivables:				
Taxes receivable, net	-	-	-	-
Accounts receivable, net	-	-	-	-
Interest receivable	-	-	-	-
Notes and loans receivable	-	-	-	-
Other receivables	-	-	-	-
Due from:				
U.S. Department of Transportation	-	-	-	-
Other funds	-	-	434,454	-
Other state agencies	131	-	-	-
Inventories	-	-	-	-
Prepaid expenses - other	-	-	-	-
Prepaid expenses - risk management	-	-	-	-
Prepaid expense - NM44 warranty	-	-	-	-
Property held for resale	-	-	-	-
Total Assets	\$ 637,887	\$ 756,746	\$ 959,494	\$ 60,053
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 1,248,445	\$ 572,285	\$ -
Due to other funds	-	-	-	-
Due to other agencies	-	-	-	-
Due to state general fund	-	-	-	-
Deferred revenue	-	-	-	-
Other accrued expenses	-	-	-	-
Other liabilities	-	-	-	-
Short-term notes payable (taxable line of credit)	-	-	-	-
Total Liabilities	-	1,248,445	572,285	-
Non-spendable				
Restricted	637,887	-	387,209	60,053
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (deficit)	-	(491,699)	-	-
Total Fund Balances (deficit)	637,887	(491,699)	387,209	60,053
Total Liabilities and Fund Balances	\$ 637,887	\$ 756,746	\$ 959,494	\$ 60,053

See Report of Independent Auditors

**NEW MEXICO DEPARTMENT OF TRANSPORTATION
Combining Balance Sheet-By Fund Type-Non Major Funds**

2006C GRIP Bond Project Fund (SHARE 10250)	2006D GRIP Bond Project Fund (SHARE 10270)	ARRA Project Fund (SHARE 89000)	Total Special Revenue Funds	General Fund Appropriations (SHARE 10070)	Capital Projects Fund (SHARE 10050)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
179,095	50,004,491	-	83,627,635	851,475	8,935,291
-	-	-	50,465,190	-	-
-	-	-	5,378,731	-	-
-	-	-	1,000	-	-
-	2,500	-	2,500	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	3,798,319	11,105,178	-	-
-	-	-	448,513	37,963	-
-	-	-	15,573	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 179,095</u>	<u>\$ 50,006,991</u>	<u>\$ 3,798,319</u>	<u>\$ 151,044,320</u>	<u>\$ 889,438</u>	<u>\$ 8,935,291</u>
\$ -	\$ -	\$ 2,357,317	\$ 12,372,410	\$ 401,649	\$ 128,563
-	-	276,212	443,902	70,403	-
-	-	2,421,186	4,394,364	-	-
-	-	-	-	28,109	-
-	-	191,814	18,314,388	-	-
-	-	-	52,695	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	5,246,529	35,577,759	500,161	128,563
-	-	-	-	-	-
179,095	50,006,991	-	83,236,080	-	-
-	-	-	37,971,659	389,277	8,806,728
-	-	-	-	-	-
-	-	(1,448,210)	(5,741,178)	-	-
<u>179,095</u>	<u>50,006,991</u>	<u>(1,448,210)</u>	<u>115,466,561</u>	<u>389,277</u>	<u>8,806,728</u>
<u>\$ 179,095</u>	<u>\$ 50,006,991</u>	<u>\$ 3,798,319</u>	<u>\$ 151,044,320</u>	<u>\$ 889,438</u>	<u>\$ 8,935,291</u>

See Report of Independent Auditors

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Combining Balance Sheet-By Fund Type-Non Major Funds

As of June 30, 2012

	STB Appropriations Fund (SHARE 10060)	STB Capital Outlay Fund (SHARE 89200)	GF Capital Outlay Fund (SHARE 93100)	Total Capital Projects Funds
Assets:				
Cash:				
Unrestricted	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Cash Equivalents: investment in state general fund investment pool)				
Unrestricted	-	-	-	-
Restricted	-	-	424,259	10,211,025
Managed by NMFA	-	-	-	-
Receivables:				
Taxes receivable, net	-	-	-	-
Accounts receivable, net	-	-	-	-
Interest receivable	-	-	-	-
Notes and loans receivable	-	-	-	-
Other receivables	-	-	-	-
Due from:				
U.S. Department of Transportation	-	-	-	-
Other funds	-	-	-	37,963
Other state agencies	4,535,276	29,316	-	4,564,592
Inventories	-	-	-	-
Prepaid expenses - other	-	-	-	-
Prepaid expenses - risk management	-	-	-	-
Prepaid expense - NM44 warranty	-	-	-	-
Property held for resale	-	-	-	-
Total Assets	\$ 4,535,276	\$ 29,316	\$ 424,259	\$ 14,813,580
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 3,818,563	\$ -	\$ -	\$ 4,348,775
Due to other funds	-	-	-	70,403
Due to other agencies	5,430,484	29,316	-	5,459,800
Due to state general fund	-	-	-	28,109
Deferred revenue	-	-	-	-
Other accrued expenses	-	-	-	-
Other liabilities	-	-	-	-
Short-term notes payable (taxable line of credit)	-	-	-	-
Total Liabilities	9,249,047	29,316	-	9,907,087
Non-spendable				
Restricted	-	-	424,259	424,259
Committed	-	-	-	9,196,005
Assigned	-	-	-	-
Unassigned (deficit)	(4,713,771)	-	-	(4,713,771)
Total Fund Balances (deficit)	(4,713,771)	-	424,259	4,906,493
Total Liabilities and Fund Balances	\$ 4,535,276	\$ 29,316	\$ 424,259	\$ 14,813,580

See Report of Independent Auditors

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Combining Balance Sheet-By Fund Type-Non Major Funds

1998A WIPP Bond Debt Service Fund (SHARE 97200)	1998A CHAT Bond Debt Service Fund (SHARE 54800)	1999 CHAT Bond Debt Service Fund (SHARE 43400)	2000 CHAT Bond Debt Service Fund (SHARE 43200)	2001A CHAT Bond Debt Service Fund (SHARE 00700)	2002A CHAT Bond Debt Service Fund (SHARE 54700)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
14,525	141,739	266,496	204,303	234,030	83,662
5	2	18	29	40	17
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
199,253	86,180	750,144	1,184,452	1,651,520	690,434
2	30	55	41	49	16
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 213,785</u>	<u>\$ 227,951</u>	<u>\$ 1,016,713</u>	<u>\$ 1,388,825</u>	<u>\$ 1,885,639</u>	<u>\$ 774,129</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
213,785	227,951	1,016,713	1,388,825	1,885,639	774,129
-	-	-	-	-	-
-	-	-	-	-	-
<u>213,785</u>	<u>227,951</u>	<u>1,016,713</u>	<u>1,388,825</u>	<u>1,885,639</u>	<u>774,129</u>
<u>\$ 213,785</u>	<u>\$ 227,951</u>	<u>\$ 1,016,713</u>	<u>\$ 1,388,825</u>	<u>\$ 1,885,639</u>	<u>\$ 774,129</u>

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Combining Balance Sheet-By Fund Type-Non Major Funds

As of June 30, 2012

	2002B WIPP Bond Debt Service Fund (SHARE 75000)	2002C HIF Bond Debt Service Fund (SHARE 36300)	2002D CHAT Bond Debt Service Fund (SHARE 18700)	2004A GRIP Bond Debt Service Fund (SHARE 10080)
Assets:				
Cash:				
Unrestricted	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Cash Equivalents: investment in state general fund investment pool)				
Unrestricted	-	-	-	-
Restricted	111,037	62,296	12,823	-
Managed by NMFA	17	50	19,867	509,821
Receivables:				
Taxes receivable, net	-	-	-	-
Accounts receivable, net	-	-	-	-
Interest receivable	-	-	-	33
Notes and loans receivable	-	-	-	-
Other receivables	-	-	-	-
Due from:				
U.S. Department of Transportation	-	-	-	-
Other funds	702,644	-	-	-
Other state agencies	23	23	3	-
Inventories	-	-	-	-
Prepaid expenses - other	-	-	-	-
Prepaid expenses - risk management	-	-	-	-
Prepaid expense - NM44 warranty	-	-	-	-
Property held for resale	-	-	-	-
Total Assets	\$ 813,721	\$ 62,369	\$ 32,693	\$ 509,854
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Due to other agencies	-	-	-	-
Due to state general fund	-	-	-	-
Deferred revenue	-	-	-	-
Other accrued expenses	-	-	-	-
Other liabilities	-	-	-	-
Short-term notes payable (taxable line of credit)	-	-	-	-
Total Liabilities	-	-	-	-
Non-spendable	-	-	-	-
Restricted	813,721	62,369	32,693	509,854
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total Fund Balances (deficit)	813,721	62,369	32,693	509,854
Total Liabilities and Fund Balances	\$ 813,721	\$ 62,369	\$ 32,693	\$ 509,854

See Report of Independent Auditors

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Combining Balance Sheet-By Fund Type-Non Major Funds

2004B GRIP Bond Debt Service Fund (SHARE 10090)	2006A GRIP Bond Debt Service Fund (SHARE 10220)	2006B GRIP Bond Debt Service Fund (SHARE 10240)	2008A GRIP Bond Debt Service Fund (SHARE 10410)	2008C GRIP Bond Debt Service Fund (SHARE 10430)	2008D GRIP Bond Debt Service Fund (SHARE 10440)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
43,925,329	33,844	639,761	9,800,912	5,289,361	3,189,044
-	-	-	-	-	-
144	18	10	40	8	34
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 43,925,473</u>	<u>\$ 33,862</u>	<u>\$ 639,771</u>	<u>\$ 9,800,952</u>	<u>\$ 5,289,369</u>	<u>\$ 3,189,078</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	635,093	1,370,943	1,009,166	2,319,928
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	5,459,187	4,018,569	-
-	-	635,093	6,830,130	5,027,735	2,319,928
-	-	-	-	-	-
43,925,473	33,862	4,678	2,970,822	261,634	869,150
-	-	-	-	-	-
-	-	-	-	-	-
<u>43,925,473</u>	<u>33,862</u>	<u>4,678</u>	<u>2,970,822</u>	<u>261,634</u>	<u>869,150</u>
<u>\$ 43,925,473</u>	<u>\$ 33,862</u>	<u>\$ 639,771</u>	<u>\$ 9,800,952</u>	<u>\$ 5,289,369</u>	<u>\$ 3,189,078</u>

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Combining Balance Sheet-By Fund Type-Non Major Funds

As of June 30, 2012

	2009A Bond Debt Service Fund (SHARE 11130)	2010A Bond Debt Service Fund (SHARE 11140)	2010B Bond Debt Service Fund (SHARE 20450)	Total Debt Service Funds
Assets:				
Cash:				
Unrestricted	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Cash Equivalents: investment in state general fund investment pool)				
Unrestricted	-	-	-	-
Restricted	-	-	-	1,130,911
Managed by NMFA	47,582	44,238	203,934	63,703,871
Receivables:				
Taxes receivable, net	-	-	-	-
Accounts receivable, net	-	-	-	-
Interest receivable	98	17	90	492
Notes and loans receivable	-	-	-	-
Other receivables	-	-	-	-
Due from:				
U.S. Department of Transportation	-	-	-	-
Other funds	-	-	-	5,264,627
Other state agencies	-	-	-	242
Inventories	-	-	-	-
Prepaid expenses - other	-	-	-	-
Prepaid expenses - risk management	-	-	-	-
Prepaid expense - NM44 warranty	-	-	-	-
Property held for resale	-	-	-	-
Total Assets	\$ 47,680	\$ 44,255	\$ 204,024	\$ 70,100,143
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	5,335,130
Due to other agencies	-	-	-	-
Due to state general fund	-	-	-	-
Deferred revenue	-	-	-	-
Other accrued expenses	-	-	-	-
Other liabilities	-	-	-	-
Short-term notes payable (taxable line of credit)	-	-	-	9,477,756
Total Liabilities	-	-	-	14,812,886
Non-spendable				
Restricted	47,680	44,255	204,024	55,287,257
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total Fund Balances (deficit)	47,680	44,255	204,024	55,287,257
Total Liabilities and Fund Balances	\$ 47,680	\$ 44,255	\$ 204,024	\$ 70,100,143

See Report of Independent Auditors

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Combining Balance Sheet-By Fund Type-Non Major Funds

<u>Total Government Funds</u>	
\$	-
	-
	-
	94,969,571
	114,169,061
	5,378,731
	1,000
	2,992
	-
	-
	11,105,178
	5,751,103
	4,580,407
	-
	-
	-
	-
	-
	-
<u>\$</u>	<u>235,958,043</u>
\$	16,721,185
	5,849,435
	9,854,164
	28,109
	18,314,388
	52,695
	-
	9,477,756
<u>\$</u>	<u>60,297,732</u>
	-
	138,947,596
	47,167,664
	-
	(10,454,949)
<u>\$</u>	<u>175,660,311</u>
<u>\$</u>	<u>235,958,043</u>

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - By Type -
Non Major Funds

For the Year Ended June 30, 2012

	Traffic Safety Fund(s) (SHARE 10010, 10020, 20600, 20700, 20800, 82600)	Federal Planning and Development Fund (SHARE 10030)	HIF Fund (SHARE 20200)	Local Government Road Fund (SHARE 20300)
Revenues:				
User and fuel taxes	\$ -	\$ -	\$ 5,731,450	\$ 13,686,979
U.S. Department of Transportation	12,031,664	18,660,602	-	-
U.S. Department of Energy	-	-	-	-
Fees and fines	-	-	-	-
Licenses and permits	2,411,619	-	1,830,817	7,582,897
Charges for services	-	-	-	-
DWI interlock device	1,376,576	-	-	-
Other revenue	54,579	54,744	-	-
Interest earnings	2,495	-	16,300	29,944
Total Revenues	15,876,933	18,715,346	7,578,567	21,299,820
Expenditures:				
Current:				
Operating costs	-	4	-	-
Personal services	480,630	321,192	-	-
Out-of-state travel	2,856	1,835	-	-
Grants and services	12,575,747	18,421,096	-	19,049,560
Travel	53	-	-	-
Maintenance and repairs	-	-	-	-
Supplies	-	-	-	-
Contractual services	84,428	-	-	-
Other costs	-	374	-	-
Employee benefits	171,104	95,910	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	2,383,211	-
Interest	-	-	2,020,735	-
Trustee and broker fees	-	-	-	-
Debt issuance costs	-	-	-	-
Total Expenditures	13,314,818	18,840,411	4,403,946	19,049,560
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,562,115	(125,065)	3,174,621	2,250,260
Other Financing Sources (Uses):				
Appropriations, net of reversions	-	-	-	-
Transfers: severance				
tax bond appropriation	-	-	-	-
Transfers from (to) other agencies	300,000	-	-	-
Transfers from (to) escrow agent	-	-	-	-
Transfers: intra-agency	-	-	(296,180)	-
Proceeds from LT notes payable	-	-	-	-
Face value of debentures payable	-	-	-	-
Premiums of debentures payable	-	-	-	-
Total Other Financing Sources (Uses)	300,000	-	(296,180)	-
Net Changes in Fund Balances	2,862,115	(125,065)	2,878,441	2,250,260
Fund Balance (deficit), June 30, 2011	6,779,980	(992,801)	10,235,169	19,930,868
Fund Balance (deficit), June 30, 2012	\$ 9,642,095	\$ (1,117,866)	\$ 13,113,610	\$ 22,181,128

See Report of Independent Auditors

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - By Type -
Non Major Funds

State Aviation Fund (SHARE 20500)	1993 Bond Project Fund (SHARE 39400)	1999A CHAT Project Fund (SHARE 43000)	WIPP Bond Project Fund (SHARE 43100)	2001A CHAT Project Fund (SHARE 00600)	2002C HIF Project Fund (SHARE 36100)
\$ 6,927,811	\$ -	\$ -	\$ -	\$ -	\$ -
138,581	-	-	-	-	-
-	-	-	11,545,850	-	-
67,160	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,381	-	-	-	-	-
20,259	2,380	3,161	27,564	7,042	1,946
<u>7,157,192</u>	<u>2,380</u>	<u>3,161</u>	<u>11,573,414</u>	<u>7,042</u>	<u>1,946</u>
38,216	-	-	-	-	-
214,637	-	-	-	-	-
1,463	-	-	-	-	-
3,132,157	-	-	-	-	-
4,396	-	-	-	-	-
21,409	-	-	-	-	-
5,822	-	-	-	-	-
331,800	-	-	-	-	-
2,406	-	-	-	-	-
80,300	-	-	-	-	-
-	-	-	11,545,850	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>3,832,606</u>	<u>-</u>	<u>-</u>	<u>11,545,850</u>	<u>-</u>	<u>-</u>
3,324,586	2,380	3,161	27,564	7,042	1,946
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>3,324,586</u>	<u>2,380</u>	<u>3,161</u>	<u>27,564</u>	<u>7,042</u>	<u>1,946</u>
11,927,969	1,594,301	2,117,322	(2,710,967)	4,717,201	1,303,763
<u>\$ 15,252,555</u>	<u>\$ 1,596,681</u>	<u>\$ 2,120,483</u>	<u>\$ (2,683,403)</u>	<u>\$ 4,724,243</u>	<u>\$ 1,305,709</u>

See Report of Independent Auditors

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - By Type -
Non Major Funds

For the Year Ended June 30, 2012

	2002D CHAT Project Fund (SHARE 11500)	2004A GRIP Project Fund (SHARE 20400)	2006A GRIP Project Fund (SHARE 10210)	2006B GRIP Project Fund SHARE (10230)
Revenues:				
User and fuel taxes	\$ -	\$ -	\$ -	\$ -
U.S. Department of Transportation	-	-	-	-
U.S. Department of Energy	-	-	-	-
Fees and fines	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
DWI interlock device	-	-	-	-
Other revenue	-	-	-	-
Interest earnings	951	445	(64)	9
Total Revenues	951	445	(64)	9
Expenditures:				
Current:				
Operating costs	-	-	-	-
Personal services	-	-	-	-
Out-of-state travel	-	-	-	-
Grants and services	-	-	-	-
Travel	-	-	-	-
Maintenance and repairs	-	-	-	-
Supplies	-	-	-	-
Contractual services	-	-	-	-
Other costs	-	-	710,753	73,303
Employee benefits	-	-	-	-
Capital outlay	-	6,684,035	11,198,795	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Trustee and broker fees	-	-	-	-
Debt issuance costs	-	-	-	-
Total Expenditures	-	6,684,035	11,909,548	73,303
Excess (Deficiency) of Revenues Over (Under) Expenditures	951	(6,683,590)	(11,909,612)	(73,294)
Other Financing Sources (Uses):				
Appropriations, net of reversions	-	-	-	-
Transfers: severance				
tax bond appropriation	-	-	-	-
Transfers from (to) other agencies	-	-	-	-
Transfers from (to) escrow agent	-	-	-	-
Transfers: intra-agency	-	(38)	(1,527,069)	83,686
Proceeds from LT notes payable	-	-	-	-
Face value of debentures payable	-	-	-	-
Premiums of debentures payable	-	-	-	-
Total Other Financing Sources (Uses)	-	(38)	(1,527,069)	83,686
Net Changes in Fund Balances	951	(6,683,628)	(13,436,681)	10,392
Fund Balance (deficit), June 30, 2011	636,936	6,191,929	13,823,890	49,661
Fund Balance (deficit), June 30, 2012	\$ 637,887	\$ (491,699)	\$ 387,209	\$ 60,053

See Report of Independent Auditors

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - By Type -
Non Major Funds

2006C GRIP Project Fund (SHARE 10250)	2006D GRIP Project Fund (SHARE 10270)	ARRA Project Fund (SHARE 89000)	Total Special Revenue Funds	General Fund Appropriations (SHARE 10070)	Capital Projects Fund (SHARE 10050)
\$ -	\$ -	\$ -	\$ 26,346,240	\$ -	\$ -
-	-	31,601,280	62,432,127	-	-
-	-	-	11,545,850	-	-
-	-	-	67,160	-	-
-	-	-	11,825,333	-	-
-	-	-	-	-	-
-	-	-	1,376,576	-	-
-	-	-	112,704	180,242	-
1,790	22,523	-	136,745	-	-
1,790	22,523	31,601,280	113,842,735	180,242	-
-	-	-	38,220	-	-
-	-	-	1,016,459	-	-
-	-	-	6,154	-	-
-	-	1,226,400	54,404,960	-	-
-	-	-	4,449	-	-
-	-	-	21,409	-	-
-	-	-	5,822	-	-
-	-	845,154	1,261,382	-	-
1,264,223	1,284	-	2,052,343	-	-
-	-	-	347,314	-	-
11,286,305	-	27,621,170	68,336,155	448,930	769,286
-	-	-	2,383,211	-	-
-	-	-	2,020,735	-	-
-	-	-	-	-	-
-	-	-	-	-	-
12,550,528	1,284	29,692,724	131,898,613	448,930	769,286
(12,548,738)	21,239	1,908,556	(18,055,878)	(268,688)	(769,286)
-	-	-	-	(28,109)	-
-	-	-	-	-	-
-	-	-	300,000	-	-
1,443,247	(19,661)	-	(316,015)	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,443,247	(19,661)	-	(16,015)	(28,109)	-
(11,105,491)	1,578	1,908,556	(18,071,893)	(296,797)	(769,286)
11,284,586	50,005,413	(3,356,766)	133,538,454	686,074	9,576,014
\$ 179,095	\$ 50,006,991	\$ (1,448,210)	\$ 115,466,561	\$ 389,277	\$ 8,806,728

See Report of Independent Auditors

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - By Type -
Non Major Funds

For the Year Ended June 30, 2012

	STB Capital Improvements Projects (SHARE 10060)	STB Capital Outlay (SHARE 89200)	GF Capital Outlay (SHARE 93100)	Total Capital Projects Funds
Revenues:				
User and fuel taxes	\$ -	\$ -	\$ -	\$ -
U.S. Department of Transportation	-	-	-	-
U.S. Department of Energy	-	-	-	-
Fees and fines	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
DWI interlock device	-	-	-	-
Other revenue	276,747	-	-	456,989
Interest earnings	-	-	-	-
Total Revenues	276,747	-	-	456,989
Expenditures:				
Current:				
Operating costs	-	-	-	-
Personal services	-	-	-	-
Out-of-state travel	-	-	-	-
Grants and services	-	-	-	-
Travel	-	-	-	-
Maintenance and repairs	-	-	-	-
Supplies	-	-	-	-
Contractual services	575,092	-	-	575,092
Other costs	-	-	-	-
Employee benefits	-	-	-	-
Capital outlay	40,900,011	5,376,965	-	47,495,192
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Trustee and broker fees	-	-	-	-
Debt issuance costs	-	-	-	-
Total Expenditures	41,475,103	5,376,965	-	48,070,284
Excess (Deficiency) of Revenues Over (Under) Expenditures	(41,198,356)	(5,376,965)	-	(47,613,295)
Other Financing Sources (Uses):				
Appropriations, net of reversions	(1,050,854)	-	-	(1,078,963)
Transfers: severance				
tax bond appropriation	40,445,766	5,376,965	-	45,822,731
Transfers from (to) other agencies	-	-	-	-
Transfers from (to) escrow agent	-	-	-	-
Transfers: intra-agency	-	-	-	-
Proceeds from LT notes payable	-	-	-	-
Face value of debentures payable	-	-	-	-
Premiums of debentures payable	-	-	-	-
Total Other Financing Sources (Uses)	39,394,912	5,376,965	-	44,743,768
Net Changes in Fund Balances	(1,803,444)	-	-	(2,869,527)
Fund Balance (deficit), June 30, 2011	(2,910,327)	-	424,259	7,776,020
Fund Balance (deficit), June 30, 2012	\$ (4,713,771)	\$ -	\$ 424,259	\$ 4,906,493

See Report of Independent Auditors

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - By Type -
Non Major Funds

1998A WIPP Debt Service (SHARE 97200)	1998A CHAT Debt Service (SHARE 54800)	1999 CHAT Debt Service (SHARE 43400)	2000 CHAT Debt Service (SHARE 43200)	2001A CHAT Debt Service (SHARE 00700)	2002A CHAT Debt Service (SHARE 54700)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
30	215	428	354	417	153
30	215	428	354	417	153
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
30	215	428	354	417	153
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
30	215	428	354	417	153
213,755	227,736	1,016,285	1,388,471	1,885,222	773,976
\$ 213,785	\$ 227,951	\$ 1,016,713	\$ 1,388,825	\$ 1,885,639	\$ 774,129

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - By Type -
Non Major Funds

For the Year Ended June 30, 2012

	2002B WIPP Debt Service (SHARE 75000)	2002C HIF Debt Service (SHARE 36300)	2002D CHAT Debt Service (SHARE 18700)	2004A GRIP Debt Service (SHARE 10080)
Revenues:				
User and fuel taxes	\$ -	\$ -	\$ -	\$ -
U.S. Department of Transportation	-	-	-	-
U.S. Department of Energy	-	-	-	-
Fees and fines	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
DWI interlock device	-	-	-	-
Other revenue	-	-	-	-
Interest earnings	195	117	27	399
Total Revenues	195	117	27	399
Expenditures:				
Current:				
Operating costs	-	-	-	-
Personal services	-	-	-	-
Out-of-state travel	-	-	-	-
Grants and services	-	-	-	-
Travel	-	-	-	-
Maintenance and repairs	-	-	-	-
Supplies	-	-	-	-
Contractual services	-	-	-	-
Other costs	-	-	-	-
Employee benefits	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	296,180	61,425	-
Trustee and broker fees	-	-	-	-
Debt issuance costs	-	-	-	-
Total Expenditures	-	296,180	61,425	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	195	(296,063)	(61,398)	399
Other Financing Sources (Uses):				
Appropriations, net of reversions	-	-	-	-
Transfers: severance				
tax bond appropriation	-	-	-	-
Transfers from (to) other agencies	-	-	-	-
Transfers from (to) escrow agent	-	-	-	-
Transfers: intra-agency	-	296,180	61,425	38
Proceeds from LT notes payable	-	-	-	-
Face value of debentures payable	-	-	-	-
Premiums of debentures payable	-	-	-	-
Total Other Financing Sources (Uses)	-	296,180	61,425	38
Net Changes in Fund Balances	195	117	27	437
Fund Balance (deficit), June 30, 2011	813,526	62,252	32,666	509,417
Fund Balance (deficit), June 30, 2012	\$ 813,721	\$ 62,369	\$ 32,693	\$ 509,854

See Report of Independent Auditors

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - By Type -
Non Major Funds

2004B GRIP Debt Service (SHARE 10090)	2006A GRIP Debt Service (SHARE 10220)	2006B GRIP Debt Service (SHARE 10240)	2008A GRIP Debt Service (SHARE 10410)	2008C GRIP Debt Service (SHARE 10430)	2008D GRIP Debt Service (SHARE 10440)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,230,715	213	76	189,956	139,661	301
2,230,715	213	76	189,956	139,661	301
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	291,626	182,937	-
-	-	-	-	-	-
-	-	-	-	-	-
1,931,754	-	-	-	-	-
266,617	-	-	96,827	841,657	-
-	-	-	-	-	-
-	-	-	-	-	-
2,198,371	-	-	388,453	1,024,594	-
32,344	213	76	(198,497)	(884,933)	301
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(2,228,766)	68	68	1,283,773	944,999	19,661
-	-	-	-	-	-
-	-	-	-	-	-
(2,228,766)	68	68	1,283,773	944,999	19,661
(2,196,422)	281	144	1,085,276	60,066	19,962
46,121,895	33,581	4,534	1,885,546	201,568	849,188
\$ 43,925,473	\$ 33,862	\$ 4,678	\$ 2,970,822	\$ 261,634	\$ 869,150

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - By Type -
Non Major Funds

For the Year Ended June 30, 2012

	2009A Bond Debt Service Fund (SHARE 11130)	2010A Bond Debt Service (SHARE 11140)	2010B Bond Debt Service Fund (SHARE 20450)	Total Debt Service Funds
Revenues:				
User and fuel taxes	\$ -	\$ -	\$ -	\$ -
U.S. Department of Transportation	-	-	-	-
U.S. Department of Energy	-	-	-	-
Fees and fines	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
DWI interlock device	-	-	-	-
Other revenue	-	-	-	-
Interest earnings	1,342	360	1,122	2,566,081
Total Revenues	1,342	360	1,122	2,566,081
Expenditures:				
Current:				
Operating costs	-	-	-	-
Personal services	-	-	-	-
Out-of-state travel	-	-	-	-
Grants and services	-	-	-	-
Travel	-	-	-	-
Maintenance and repairs	-	-	-	-
Supplies	-	-	-	-
Contractual services	-	-	-	-
Other costs	-	-	1,511	476,074
Employee benefits	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	1,931,754
Interest	-	-	-	1,562,706
Trustee and broker fees	-	-	-	-
Debt issuance costs	-	-	-	-
Total Expenditures	-	-	1,511	3,970,534
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,342	360	(389)	(1,404,453)
Other Financing Sources (Uses):				
Appropriations, net of reversions	-	-	-	-
Transfers: severance	-	-	-	-
tax bond appropriation	-	-	-	-
Transfers from (to) other agencies	-	-	-	-
Transfers from (to) escrow agent	-	-	-	-
Transfers: intra-agency	-	(24)	-	377,422
Proceeds from LT notes payable	-	-	-	-
Face value of debentures payable	-	-	-	-
Premiums of debentures payable	-	-	-	-
Total Other Financing Sources (Uses)	-	(24)	-	377,422
Net Changes in Fund Balances	1,342	336	(389)	(1,027,031)
Fund Balance (deficit), June 30, 2011	46,338	43,919	204,413	56,314,288
Fund Balance (deficit), June 30, 2012	\$ 47,680	\$ 44,255	\$ 204,024	\$ 55,287,257

See Report of Independent Auditors

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - By Type -
Non Major Funds

	Total Government Funds
	<u> </u>
\$	26,346,240
	62,432,127
	11,545,850
	67,160
	11,825,333
	-
	1,376,576
	569,693
	<u>2,702,826</u>
	<u>116,865,805</u>
	38,220
	1,016,459
	6,154
	54,404,960
	4,449
	21,409
	5,822
	1,836,474
	2,528,417
	347,314
	115,831,347
	4,314,965
	3,583,441
	-
	-
	<u>183,939,431</u>
	<u>(67,073,626)</u>
	(1,078,963)
	45,822,731
	300,000
	-
	61,407
	-
	-
	-
	<u>45,105,175</u>
	<u>(21,968,451)</u>
	<u>197,628,762</u>
\$	<u><u>175,660,311</u></u>

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - By Type -
Non Major Funds

THIS PAGE INTENTIONALLY LEFT BLANK

OTHER SUPPLEMENTAL INFORMATION

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Supplemental Schedule of Capital Projects

As of June 30, 2012

	Budgeted Amounts		Current Year Expenditures
	Original	Final	
Expenditures for 2007 multi-year projects			
Capital outlay	\$ 2,750,000	\$ 2,750,000	\$ -
Expenditures for 2008 multi-year projects			
Capital outlay	6,017,426	6,017,426	-
Expenditures for 2009 multi-year projects			
Capital outlay	1,450,000	1,450,000	769,286
Expenditures for 2010 multi-year projects			
Capital outlay	350,000	350,000	-
Expenditures for 2011 multi-year projects			
Capital outlay	350,000	350,000	-
Expenditures for 2012 multi-year projects			
Capital outlay	350,000	350,000	-
 Total Expenditures	 \$ 11,267,426	 \$ 11,267,426	 \$ 769,286

See Report of Independent Auditors

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Supplemental Schedule of Capital Projects

Life-to-Date Outstanding Encumbrances	Total Actual	Prior Year Actual	Total Expenditures	Variance From Final Budget (Over) Under
\$ 92,730	\$ 92,730	\$ 2,657,270	\$ 2,750,000	-
-	-	6,017,426	600,000	5,417,426
368,896	1,138,182	1,081,104	769,286	680,714
-	-	350,000	-	350,000
266,059	266,059	83,941	-	350,000
-	-	350,000	-	350,000
\$ 727,685	\$ 1,496,971	\$ 10,539,741	\$ 4,119,286	7,148,140

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Supplemental Schedule of Severance Tax Bonds

As of June 30, 2012

Chapter	Laws	Bonds Appropriated	Bonds Sold	Amounts AIPP	Funds Reauthorized
3	2007	\$ 53,110,992	\$ 53,110,992	-	-
42	2007	26,345,000	26,345,000	-	-
111	2007	-	-	-	35,000
341	2007	-	-	-	175,000
9	2008	150,000,000	150,000,000	-	-
83	2008	-	-	-	50,000
92	2008	19,778,000	19,778,000	(9,600)	(1,732,771)
111	2008	-	-	-	265,000
5	2009	1,500,000	1,500,000	-	-
7	2009	6,032,628	6,032,628	-	-
9	2009	-	-	-	-
128	2009	-	-	-	1,029,418
105	2010	-	-	-	8,635,000
183	2011	-	-	-	490,000
63	2012	-	-	-	188,941
		<u>\$ 256,766,620</u>	<u>\$ 256,766,620</u>	<u>\$ (9,600)</u>	<u>\$ 9,135,588</u>

**NEW MEXICO DEPARTMENT OF TRANSPORTATION
Supplemental Schedule of Severance Tax Bonds**

Funds Reverted	Bond Balance After Reauthorization	Funds Received	Expended To Date	Balance Available	Due from Board of Finance
\$ -	\$ 53,110,992	\$ 50,163,455	\$ 50,269,902	\$ 2,007,513	\$ 940,024
(3,670,193)	22,674,807	22,674,807	22,674,807	-	-
-	35,000	35,000	35,000	-	-
-	175,000	175,000	175,000	-	-
-	150,000,000	134,927,560	136,066,122	12,280,372	2,792,068
-	50,000	50,000	50,000	-	-
(978,319)	17,057,311	16,341,150	17,026,607	40,202	675,959
(169,780)	95,220	95,220	95,220	-	-
-	1,500,000	-	-	1,500,000	-
(588,696)	5,443,932	4,238,120	4,238,121	1,078,587	127,225
-	-	-	-	-	-
(679,918)	349,500	349,500	349,500	-	-
-	8,635,000	8,495,247	8,495,247	110,438	29,316
-	490,000	-	-	490,000	-
-	188,941	-	-	188,941	-
\$ (6,086,906)	\$ 259,805,703	\$ 237,545,059	\$ 239,475,526	\$ 17,696,053	\$ 4,564,592

Balance Available	\$ 17,696,053
Due from Board of Finance	4,564,592
Total (Note 4)	<u>\$ 22,260,645</u>

See Independent Auditors' Report

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Supplemental Schedule of Special Appropriations

As of June 30, 2012

	Appropriation Amount	Expenditures Inception to June 30, 2012
Special Revenue Funds		
Laws of 2008, Chapter 92	\$ 8,051,673	\$ 7,324,413
Laws of 2011, Chapter 183	-	78,681
Laws of 2012, Chapter 63	-	-
	8,051,673	7,403,094
Capital Projects Funds		
Laws of 2007, Chapter 42	2,750,000	2,657,270
Laws of 2008, Chapter 92	6,017,426	600,000
Laws of 2009, Chapter 125	1,450,000	769,286
Laws of 2010 Special Session, Chapter 4	350,000	-
Laws of 2011, Chapter 5	350,000	-
Laws of 2012	350,000	-
	11,267,426	4,026,556
Total all Fund Types	\$ 19,319,099	\$ 11,429,650

* Note: State House and Senate Memorials are directions on how appropriated monies should be spent. They are not laws.

**NEW MEXICO DEPARTMENT OF TRANSPORTATION
Supplemental Schedule of Special Appropriations**

Encumbrances Balance as of June 30, 2012	Re-appropriation Amount	Reversion Amount	Balance as of June 30, 2012
\$ -	\$ (727,260)	\$ (1,172,273)	-
424,259	502,940	-	-
131,887	131,887	-	-
556,146	(92,433)	(1,172,273)	-
-	-	-	92,730
-	-	-	5,417,426
368,896	-	-	311,818
-	-	-	350,000
266,059	-	-	83,941
-	-	-	350,000
634,955	-	-	6,605,915
\$ 1,191,101	\$ (92,433)	\$ (1,172,273)	6,605,915

Special Revenue Funds

Under the Laws of Special Session 2007, Chapter 3, the Department was appropriated \$35,000,000 for GRIP 1 and New Mexico Spaceport projects. Any unexpended or unencumbered balance remaining at the end of the 2011 fiscal year will revert to the State General Fund. The appropriation period is for 5 years unless re-authorized or extended by enabling legislation.

Under the Laws of 2008, Chapters 2 and 92, the Department was appropriated \$42,577,900 and \$8,051,673, respectively, for highway maintenance and certain infrastructure projects and improvements, respectively. Any unexpended or unencumbered balance remaining at the end of the 2012 fiscal year will revert to the State General Fund. The appropriation period is for 5 years unless re-authorized or extended by enabling legislation.

Under the Laws of 2011, Chapters 183 the Department was appropriated \$502,940.04 respectively, for highway maintenance and certain infrastructure projects and improvements, respectively. Any unexpended or unencumbered balance remaining at the end of the 2012 fiscal year will revert to the State General Fund. The appropriation period is for 2 years unless re-authorized or extended by enabling legislation.

Under the Laws of 2012, Chapters 64 the Department was appropriated \$131,886.63 respectively, for highway maintenance and certain infrastructure projects and improvements, respectively. Any unexpended or unencumbered balance remaining at the end of the 2012 fiscal year will revert to the State General Fund. The appropriation period is for 2 years unless re-authorized or extended by enabling legislation.

Capital Projects Funds

Under the Laws of 2007, Chapter 42, the Department was appropriated \$2,750,000 from the State Road Fund for various capital projects. Any unexpended or unencumbered balance remaining at the end of the 2011 fiscal year will revert to the State Road Fund. The appropriation period is for 5 years unless re-authorized or extended by enabling legislation.

Under the Laws of 2008, Chapter 92, the Department was appropriated \$6,017,426 from the State Road Fund for construction of Salt Domes. Any unexpended or unencumbered balance remaining at the end of the 2012 fiscal year will revert to the State Road Fund. The appropriation period is for 5 years unless re-authorized or extended by enabling legislation.

Under the Laws of 2009, Chapter 125, the Department was appropriated \$1,450,000 from the State Road Fund for D3 hilltop building roof replacement. Any unexpended or unencumbered balance remaining at the end of the 2013 fiscal year will revert to the State Road Fund. The appropriation period is for 5 years unless re-authorized or extended by enabling legislation.

Under the Laws of 2010 Special Session, Chapter 4, the Department was appropriated \$350,000 from the State Road Fund for the construction of Salt Domes. Any unexpended or unencumbered balance remaining at the end of the 2013 fiscal year will revert to the State Road Fund. The appropriation period is for 5 years unless re-authorized or extended by enabling legislation.

Under the Laws of 2011 Special Session, Chapter 5, the Department was appropriated \$350,000 from the State Road Fund for the construction of Salt Domes. Any unexpended or unencumbered balance remaining at the end of the 2013 fiscal year will revert to the State Road Fund. The appropriation period is for 5 years unless re-authorized or extended by enabling legislation.

Under the Laws of 2012, Chapter 64, the Department was appropriated \$350,000 from the State Road Fund for the construction of Salt Domes. Any unexpended or unencumbered balance remaining at the end of the 2013 fiscal year will revert to the State Road Fund. The appropriation period is for 5 years unless re-authorized or extended by enabling legislation.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Supplemental Schedule of Individual Bank Accounts

As of June 30, 2012

	Fund Number	Bank Balance	Book Balance	Book Total
Cash				
State Road Fund	Petty Cash 20100	\$ 2,600	\$ 2,600	
Total Cash				<u>\$ 2,600</u>
(Restricted)				
2001A CHAT Bond Project Fund	00600	4,723,273	\$ 4,723,273	
2001A CHAT Bond Debt Service Fund	00700	234,030	234,030	
Traffic Safety Fund(s)	10010, 10020, 20600, 20700, 20800, 82600	9,572,636	9,572,636	
State Road Fund(s)	10040, 10140, 20100, 82000	155,182,564	155,182,564	
Capital Projects Fund	10050	8,935,291	8,935,291	
General Fund Appropriations	10070	851,475	851,475	
2006A GRIP Bond Project Fund	10210	362,806	362,806	
2006B GRIP Bond Project Fund	10230	49,671	49,671	
2010A Bond Project Fund	10450	14,945,051	14,945,051	
2002D CHAT Bond Project Fund	11500	637,756	637,756	
2002D CHAT Bond Debt Service Fund	18700	12,823	12,823	
HIF Bond Fund	20200	11,929,462	11,929,462	
Local Government Road Fund	20300	20,926,848	20,926,848	
2004A GRIP Bond Project Fund	20400	647,758	647,758	
State Aviation Fund	20500	14,939,709	14,939,709	
2002C HIF Bond Project Fund	36100	1,305,442	1,305,442	
2002C HIF Bond Debt Service Fund	36300	62,296	62,296	
1993 Bond Project Fund	39400	1,596,354	1,596,354	
1999A CHAT Bond Project Fund	43000	2,120,048	2,120,048	
WIPP Bond Project Fund	43100	14,815,874	14,815,874	
2000 CHAT Bond Debt Service Fund	43200	204,303	204,303	
1999 CHAT Bond Debt Service Fund	43400	266,496	266,496	
2002A CHAT Bond Debt Service Fund	54700	83,662	83,662	
1998A CHAT Bond Debt Service Fund	54800	141,739	141,739	
2002B WIPP Bond Debt Service Fund	75000	111,037	111,037	
State Infrastructure Bank	89300	20,199,312	20,199,312	
GF Capital Outlay	93100	424,259	424,259	
1998A WIPP Bond Debt Service Fund	97200	14,525	14,525	
Total Restricted				<u>\$ 285,296,500</u>

See Report of Independent Auditors

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Supplemental Schedule of Individual Bank Accounts

	SHARE Account Number	Bank Balance	Book Balance	Book Total
Managed by NMFA:				
Wells Fargo, trustee account				
1998A Bond Fund US 70	10140	\$ 11,066	\$ 11,066	
State Road Fund	20100	65,032	<u>65,032</u>	76,098
Bank of Albuquerque, trustee account				
2006D GRIP Bond Project Fund	10270	50,004,491	<u>50,004,491</u>	50,004,491
Bank of New York, trustee account				
2004A GRIP Bond Debt Service Fund	10080	509,821	509,821	
2004B GRIP Bond Debt Service Fund	10090	43,925,329	43,925,329	
2006A GRIP Bond Project Fund	10210	162,234	162,234	
2006A GRIP Bond Debt Service Fund	10220	33,844	33,844	
2006B GRIP Bond Project Fund	10230	10,382	10,382	
2006B GRIP Bond Debt Service Fund	10240	639,761	639,761	
2006C GRIP Bond Project Fund	10250	179,095	179,095	
2008A GRIP Bond Debt Service Fund	10410	9,800,912	9,800,912	
2008B GRIP Bond Debt Service Fund	10420	32,335,088	32,335,088	
2008C GRIP Bond Debt Service Fund	10430	5,289,361	5,289,361	
2008D GRIP Bond Debt Service Fund	10440	3,189,044	3,189,044	
2010A Bond Project Fund	10450	55,087,524	55,087,524	
2009A Bond Debt Service Fund	11130	47,582	47,582	
2010A/LOC Bond Debt Service Fund	11140	44,238	44,238	
2004A GRIP Bond Project Fund	20400	108,988	108,988	
2010B GRIP Bond Debt Service Fund	20450	203,934	<u>203,934</u>	151,567,137
NMFA				
2001A CHAT Bond Debt Service Fund	700	40	40	
2002D CHAT Bond Debt Service Fund	18700	19,867	19,867	
2002C HIF Bond Debt Service Fund	36300	50	50	
2000 CHAT Bond Debt Service Fund	43200	29	29	
1999 CHAT Bond Debt Service Fund	43400	18	18	
2002A CHAT Bond Debt Service Fund	54700	17	17	
1998A CHAT Bond Debt Service Fund	54800	2	2	
2002B WIPP Bond Debt Service Fund	75000	17	17	
1998A WIPP Bond Debt Service Fund	97200	5	<u>5</u>	20,045
Total Managed by NMFA				<u>\$ 201,667,771</u>

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Supplemental Schedule of Pledged State Revenues

As of June 30, 2012

Pledged State Revenues

Pledged User & Fuel Taxes

Gasoline Excise	\$ 104,984,457
Motor Vehicle Registrations	75,626,299
Special Fuel	92,413,998
Vehicle Transaction	4,786,391
Drivers License	3,768,476
Trip (Mileage) Tax	5,689,392
Tire recycling fees	1,830,817
Weight/Distance Tax	77,606,555
Total pledged user & fuel taxes	<u>366,706,385</u>

Other Pledged Revenue

Road fund interest income	108,827
HIF interest income	16,300
Leased Vehicles gross receipts tax	5,731,450
PRC fees	880,869
Total other pledged revenue	<u>6,737,446</u>

Total Pledged State Revenues	<u><u>\$ 373,443,831</u></u>
-------------------------------------	------------------------------

THIS PAGE INTENTIONALLY LEFT BLANK

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Supplemental Schedule of Debt Service and Coverage

As of June 30, 2012

	2002C-HIF (SHARE 36300)	2002D-CHAT (SHARE 18700)	2004A-GRIP (SHARE 10080)	2004B-GRIP (SHARE 10090)
Gasoline Excise Taxes	\$ 8,075,958	\$ 8,075,958	\$ 8,075,958	\$ 8,075,958
Motor Vehicle Registration Fees	5,817,408	5,817,408	5,817,408	5,817,408
Special Fuel Excise Taxes	7,108,769	7,108,769	7,108,769	7,108,769
Vehicle Transaction Fees	368,184	368,184	368,184	368,184
Driver's License Fees	289,883	289,883	289,883	289,883
Oversize/Oversight Permit Fees	370,800	370,800	370,800	370,800
Public Regulation Commission Fees	67,759	67,759	67,759	67,759
Trip (Mileage) Tax	437,646	437,646	437,646	437,646
Weight/Distance Taxes	5,598,935	5,598,935	5,598,935	5,598,935
Leased Vehicle Gross Receipts Taxes	477,621	-	477,621	477,622
Tire Recycling Fees	152,568	-	152,569	152,569
FHWA Revenues	-	-	36,862,738	36,862,738
	28,765,531	28,135,342	65,628,270	65,628,271
Interest on Cash Balances*	16,522	8,372	16,522	8,372
Total Pledged Revenues				
Received	\$ 28,782,053	\$ 28,143,714	\$ 65,644,792	\$ 65,636,643

	2002C-HIF	2002D-CHAT	2004A-GRIP	2004B-GRIP
Debt Service Principal Expenditures	\$ -	\$ -	\$ -	\$ 29,060,000
Debt Service Interest Expenditures	296,180	61,425	12,686,840	4,639,050
Total Debt Service	\$ 296,180	\$ 61,425	\$ 12,686,840	\$ 33,699,050
Debt Service Coverage	97.18%	458.18%	5.17%	1.95%

*NOTE: In addition to state road fund revenues, pledged revenues on the 2002C HIF and 2004A GRIP include interest earned in the HIF fund.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Supplemental Schedule of Debt Service and Coverage

2006A-GRIP (SHARE 10220)	2006B-GRIP (SHARE 10240)	2008A-GRIP (SHARE 10410)	2008B-GRIP (SHARE 10420)	2008C-GRIP (SHARE 10430)	2008D-GRIP (SHARE 10440)
\$ 8,075,958	\$ 8,075,959	\$ 8,075,958	\$ 8,075,959	\$ 8,075,958	\$ 8,075,959
5,817,408	5,817,407	5,817,407	5,817,407	5,817,407	5,817,407
7,108,769	7,108,769	7,108,769	7,108,769	7,108,769	7,108,770
368,184	368,184	368,184	368,184	368,184	368,183
289,883	289,883	289,882	289,882	289,882	289,883
370,800	370,800	370,799	370,799	370,800	370,800
67,759	67,759	67,760	67,760	67,759	67,759
437,645	437,645	437,645	437,645	437,645	437,645
5,598,935	5,598,936	5,598,936	5,598,935	5,598,935	5,598,935
477,622	477,622	477,622	477,620	477,620	477,620
152,569	152,569	152,569	152,568	152,568	152,567
36,862,737	36,862,737	36,862,737	36,862,737	36,862,737	36,862,737
65,628,269	65,628,270	65,628,268	65,628,265	65,628,264	65,628,265
8,372	8,371	8,371	8,371	8,371	8,371
\$ 65,636,641	\$ 65,636,641	\$ 65,636,639	\$ 65,636,636	\$ 65,636,635	\$ 65,636,636

2006A-GRIP	2006B-GRIP	2008A-GRIP	2008B-GRIP	2008C-GRIP	2008D-GRIP
\$ 240,000	\$ 1,225,000	\$ -	\$ -	\$ -	\$ -
7,472,608	1,283,585	5,228,249	12,253,019	4,033,864	91,672
\$ 7,712,608	\$ 2,508,585	\$ 5,228,249	\$ 12,253,019	\$ 4,033,864	\$ 91,672
8.51%	26.16%	12.55%	5.36%	16.27%	715.99%

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Supplemental Schedule of Debt Service and Coverage

As of June 30, 2012

	2009A Refunding (SHARE 11130)	2010A-GRIP (SHARE 11140)	2010B-GRIP (SHARE 20450)	TOTAL
Gasoline Excise Taxes	\$ 8,075,958	\$ 8,075,958	\$ 8,075,958	\$ 104,987,457
Motor Vehicle Registration Fees	5,817,408	5,817,408	5,817,408	75,626,299
Special Fuel Excise Taxes	7,108,769	7,108,769	7,108,769	92,413,998
Vehicle Transaction Fees	368,184	368,184	368,184	4,786,391
Driver's License Fees	289,883	289,883	289,883	3,768,476
Oversize/Oversight Permit Fees	370,800	370,800	370,800	4,820,398
Public Regulation Commission Fees	67,759	67,759	67,759	880,869
Trip (Mileage) Tax	437,646	437,646	437,646	5,689,392
Weight/Distance Taxes	5,598,935	5,598,935	5,598,935	72,786,157
Leased Vehicle Gross Receipts Taxes	477,620	477,620	477,620	5,731,450
Tire Recycling Fees	152,567	152,567	152,567	1,830,817
FHWA Revenues	36,862,737	36,862,737	36,862,737	405,490,109
Subtotal	65,628,266	65,628,266	65,628,266	778,811,813
Interest on Cash Balances*	8,371	8,371	8,371	125,128
Total Pledged Revenues				
Received	\$ 65,636,637	\$ 65,636,637	\$ 65,636,637	778,936,941

	2009A Refunding	2010A-GRIP	2010B-GRIP	
Debt Service Principal Expenditures	\$ 22,370,000	\$ 6,045,000	\$ 9,640,000	\$ 68,580,000
Debt Service Interest Expenditures	3,072,400	8,005,038	22,356,700	81,480,630
Total Debt Service	\$ 25,442,400	\$ 14,050,038	\$ 31,996,700	\$ 150,060,630
Debt Service Coverage	2.58%	4.67%	2.05%	5.19%

*NOTE: In addition to state road fund revenues, pledged revenues on the 2002C HIF and 2004A GRIP include interest earned in the HIF fund.

THIS PAGE INTENTIONALLY LEFT BLANK

**NEW MEXICO DEPARTMENT OF TRANSPORTATION
Supplemental Schedule of Joint Powers Agreements**

The State Legislature and the State Highway Commission have approved certain agreements between the Department and various counties, municipalities and other agencies to construct or improve public highways, school grounds, parking areas, and for the purpose of litter control. The Department's funding responsibility varies from zero to 100%. When related to Public Transportation Services, the Department's funding responsibility is 50% operating and 80% capital. None of these cooperative and joint powers agreements have created legally separate organizations that need to be included as component units or joint ventures in the Department's financial statements.

Contract Number	Contractor	Description	Expended in 2012
J00131	City of Albuquerque	Provide for a bicycle/pedestrian safety program and ensure elements of the program are in compliance with State and Federal Regulations.	\$ 34,438
J00671	City of Albuquerque	Bicycle Travel Demand Management Program	68,454
J00730-2	Corrections Department	Utilize supervised inmates to perform minor highway maintenance and beautification.	82,197
J00767	Laguna Pueblo	Plan, design, construct and improve roadway infrastructure improvements at the Pueblo of Laguna in Cibola County	298,187
J00778	Office of Cultural Affairs	The Department and HPD-ARMS will develop and maintain a comprehensive inventory of cultural properties within the State of New Mexico.	25,000
J00781	Acoma Pueblo	Provide Acoma Road SP 22 2" Mill and Fill initial corridor study, detailed alternative evaluation and environmental documentation (ARRA)	33,629
J00793	Corrections Department	Optical Image Scanning	110,000
J00799-1	Corrections Department	Litter Control Program	283,282

**NEW MEXICO DEPARTMENT OF TRANSPORTATION
Supplemental Schedule of Joint Powers Agreements**

Date of Agreement		Total Estimated Amt of Project	Portion Applicable To Agency	Party Responsible for Operations	Audit Responsibility	Fiscal Agent (if applicable)	Agency Where Revenues/Expenditures are Reported
Beginning	Ending						
5/4/1995	9/30/2014	\$ 466,666	75%	Contractor	Department		Department
8/6/2001	9/30/2014	2,723,469	85%	Contractor	Department		Department
6/25/2007	6/30/2011	347,155	100%	Contractor	Department		Department
3/16/2009	6/30/2013	500,000	100%	Contractor	Department		Department
11/19/2009	6/30/2013	75,000	75%	Contractor	Department		Department
1/5/2010	9/30/2012	1,200,000	100%	Contractor	Department		Department
2/2/2011	6/15/2012	137,500	100%	Contractor	Department		Department
7/18/2011	6/30/2014	616,582	100%	Contractor	Department		Department

**NEW MEXICO DEPARTMENT OF TRANSPORTATION
Supplemental Schedule of Joint Powers Agreements**

Contract Number	Contractor	Description	Expended in 2012
M00009	Highway & Transportation Dept	Equipment Waiver Program	\$ 254,487
M00369	Mid-Region Council Of Governments	1(41) CN7692	42,381
M00468A	Mid-Region Council Of Governments	Facility & Maintenance Of Tmc-	59,900
M00532	Las Cruces, City Of	125, CNLC115, MP115	49,955
M00616	Mid-Region Council Of Governments	Commuter Rail-Abq/Sf Corridor	2,165,094
M00716	Department Of Cultural Affairs	Van Of Enchantment	109,039
M00734	New Mexico Institute Of Mining & Tech	Flh-Hpp-7553(7) CN L1017	210,270
M00751	Albuquerque Metropolitan Arroyo Flood	Embudo Arroyo Maintenance	150,000
M00775	Las Cruces Public Schools	Safe Routes To School	3,618
M00837	North Central Regional Transit District	Funding For Transit Facility	16,276
M00841	Cimarron, Village Of	Srsf-7700(152) CN W400010	155
M00854	Rio Rancho Public Schools	Srsf-7700(163) CN A300092	2,119
M00857	Albuquerque Public Schools	Srsf-7700(162) CN A300091	5,820
M00869	Clovis, City Of	Public Transportation Svcs	144,609
M00881	Zuni Entrepreneurial Ent Inc	Public Transportation Svcs	16,932
M00885	Riometro Regional Transit District	Public Transportation Svcs	129,005
M00887	Laguna, Pueblo Of	Public Transportation Svcs	31,824
M00895	Taos, Town Of	Public Transportation Svcs	53,681
M00899	Ruidoso Downs, City Of	Public Transportation Svcs	16,650
M00900	Albuquerque, City Of	Construction Management	200,000
M00901	North Central Regional Transit District	Public Transportation Svcs	20,569
M00940	Riometro Regional Transit District	Commuter Rail Service	4,336,091
M00948	Museum Of Indian Arts/Culture	Tpe-7649(5) CN 7834	4,681
M00956	Tw Telecom	Rail Runner Network Maintenanc	22,604
M00958	Good Shepherd Lutheran Church	Use Of Parking Lot	500
M00960	New Mexico Passenger Transportation Assc	Statewide Transit Conference	21,257
M00961	Zia Therapy Ctr Inc	Public Transportation Svcs	6,833
M00966	South Central Council Of Governments	Public Transportation Svcs	1,479
M00967	North Central Regional Transit District	Public Transportation Svc	50,061
M00968	Ben Archer Health Center	Public Transportation Svc	42,412
M00969	Carlsbad, City Of	Public Transportation Svc	8,975
M00970	Riometro Regional Transit District	Public Transportation Svc	67,414
M00971	Milan, Village Of	Public Transportation Svc	9,365
M00972	Nm Municipal League	Nm State Aviation Conference	1,231
M00974	Los Alamos, County Of	Public Transportation Svc	48,214
M00975	Us Geological Survey	Investigation /Analysis Floods	69,456

See Report of Independent Auditors

**NEW MEXICO DEPARTMENT OF TRANSPORTATION
Supplemental Schedule of Joint Powers Agreements**

Date of Agreement		Total Estimated	Portion	Party	Audit	Fiscal Agent	Agency Where
Beginning	Ending	Amt of Project	Applicable To Agency	Responsible for Operations	Responsibility	(if applicable)	Revenues/Expenditures are Reported
5/15/1998	9/30/2015	\$ 3,255,430	100%	Contractor	Department		Department
7/21/2004	12/31/2010	8,973,166	80%	Contractor	Department		Department
7/17/2008	12/31/2015	1,062,760	100%	Contractor	Department		Department
1/11/2006	12/31/2010	1,267,323	85%	Contractor	Department		Department
8/31/2006	12/31/2012	128,457,158	100%	Contractor	Department		Department
8/24/2007	9/30/2011	885,240	100%	Contractor	Department		Department
11/28/2007	12/31/2013	2,969,741	80%	Contractor	Department		Department
5/21/2008	11/30/2013	720,000	75%	Contractor	Department		Department
7/16/2008	12/30/2010	15,000	100%	Contractor	Department		Department
4/20/2009	9/30/2011	74,800	80%	Contractor	Department		Department
7/1/2009	6/30/2012	15,000	100%	Contractor	Department		Department
7/2/2009	6/30/2011	15,000	100%	Contractor	Department		Department
7/3/2009	6/30/2011	15,000	100%	Contractor	Department		Department
7/17/2009	6/30/2011	399,848	80%/50%	Contractor	Department		Department
7/17/2009	12/31/2010	160,044	80%/50%	Contractor	Department		Department
7/17/2009	8/31/2011	623,081	80%/50%	Contractor	Department		Department
7/17/2009	6/30/2011	116,250	80%/50%	Contractor	Department		Department
7/29/2009	3/31/2011	507,500	80%/50%	Contractor	Department		Department
7/29/2009	3/31/2011	148,923	80%/50%	Contractor	Department		Department
10/1/2009	9/30/2010	200,000	100%	Contractor	Department		Department
8/15/2009	8/31/2011	2,000,000	80%/50%	Contractor	Department		Department
10/20/2009	10/20/2019	16,440,000	100%	Contractor	Department		Department
12/23/2009	9/30/2013	323,000	67%	Contractor	Department		Department
1/13/2010	1/13/2014	71,300	100%	Contractor	Department		Department
7/1/2010	6/30/2011	9,000	100%	Contractor	Department		Department
6/25/2010	6/30/2011	108,000	100%	Contractor	Department		Department
6/25/2010	9/30/2011	24,750	80%/50%	Contractor	Department		Department
7/22/2010	6/30/2011	62,500	80%/50%	Contractor	Department		Department
7/30/2010	9/30/2011	175,744	80%/50%	Contractor	Department		Department
7/30/2010	9/30/2011	133,318	80%/50%	Contractor	Department		Department
7/30/2010	9/30/2011	39,610	80%/50%	Contractor	Department		Department
7/30/2010	9/30/2011	189,831	80%/50%	Contractor	Department		Department
7/30/2010	9/30/2011	43,750	80%/50%	Contractor	Department		Department
6/16/2010	6/30/2013	1,231	100%	Contractor	Department		Department
8/9/2010	9/30/2011	185,969	80%/50%	Contractor	Department		Department
10/1/2010	9/30/2011	138,912	50%	Contractor	Department		Department

See Report of Independent Auditors

**NEW MEXICO DEPARTMENT OF TRANSPORTATION
Supplemental Schedule of Joint Powers Agreements**

Contract Number	Contractor	Description	Expended in 2012
M00978	National Atomic Museum Foundation	CN A300490 Multi-Use Path	\$ 99,891
M00979	Albuquerque, City Of	Ridesharing/Transportation	790,700
M00980	Las Cruces, City Of	Ridesharing/Transportation	138
M00981	North Central Regional Transit District	Public Transportation Svcs	509,152
M00982	Zia Therapy Ctr Inc	Public Transportation Svcs	135,943
M00983	Golden Spread Rural Frontier	Public Transportation Svcs	30,819
M00984	Roswell, City Of	Public Transportation Svcs	217,501
M00985	Las Vegas, City Of	Public Transportation Svcs	52,790
M00987	Southwest Regional Transit District	Public Transportation Svcs	167,594
M00988	Portales, City Of	Public Transportation Svcs	53,549
M00989	Red River, Town Of	Public Transportation Svcs	31,405
M00992	Milan, Village Of	Public Transportation Svcs	48,182
M00996	Adelante Development Center	Public Transportation Svcs	12,187
M00997	Riometro Regional Transit District	Public Transportation Svcs	334,448
M00998	Zia Therapy Ctr Inc	Public Transportation Svcs	27,375
M01000	Clovis, City Of	Public Transportation Svcs	208,177
M01001	Laguna, Pueblo Of	Public Transportation Svcs	21,665
M01008	Pay N Save Inc	Parking Lot Agreement	3,000
M01009	Carlsbad, City Of	Public Transportation Svcs	5,598
M01010	Carlsbad, City Of	Public Transportation Svcs	145,062
M01011	Ruidoso Downs, City Of	Public Transportation Svcs	72,427
M01012	Hobbs, City Of	Public Transportation Svcs	123,458
M01013	Socorro, City Of	Public Transportation Svcs	52,203
M01014	Nanizhoozhi Center Inc	Public Transportation Svcs	57,610
M01015	Taos, Town Of	Public Transportation Svcs	93,880
M01018	Zuni Entrepreneurial Ent Inc	Public Transportation Svcs	34,355
M01021	Los Alamos, County Of	Public Transportation Svcs	582,855
M01022	Los Alamos, County Of	Public Transportation Svcs	203,200
M01023	Los Alamos, County Of	Public Transportation Svcs	123,686
M01024	Navajo Nation	Public Transportation Svcs	151,681
M01027	The University Of New Mexico	Forecasting Services	2,468
M01028	Mid-Region Council Of Governments	Transportation Plans/Programs	1,353,829
M01029	Northwest New Mexico Council	Transportation Plans/Programs	65,160
M01030	Southwest Nm Cog	Transportation Plans/Programs	69,127
M01031	Southeastern Nm Economic Development Dis	Transportation Plans/Programs	64,183
M01032	El Paso, City Of	Transportation Plans/Programs	36,781

See Report of Independent Auditors

**NEW MEXICO DEPARTMENT OF TRANSPORTATION
Supplemental Schedule of Joint Powers Agreements**

Date of Agreement		Total Estimated	Portion	Party	Audit	Fiscal Agent	Agency Where
Beginning	Ending	Amt of Project	Applicable To Agency	Responsible for Operations	Responsibility	(if applicable)	Revenues/Expenditures are Reported
8/27/2010	9/30/2014	\$ 100,000	75%	Contractor	Department		Department
9/2/2010	6/30/2011	805,000	80%	Contractor	Department		Department
9/2/2010	6/30/2011	31,000	80%	Contractor	Department		Department
9/13/2010	9/30/2011	1,182,640	80%/50%	Contractor	Department		Department
9/13/2010	9/30/2011	498,432	80%/50%	Contractor	Department		Department
9/13/2010	9/30/2011	173,284	80%/50%	Contractor	Department		Department
9/15/2010	9/30/2011	687,025	80%/50%	Contractor	Department		Department
9/15/2010	9/30/2011	145,838	80%/50%	Contractor	Department		Department
9/16/2010	9/30/2011	630,823	80%/50%	Contractor	Department		Department
9/15/2010	9/30/2011	149,504	80%/50%	Contractor	Department		Department
9/15/2010	9/30/2011	93,922	80%/50%	Contractor	Department		Department
9/15/2010	9/30/2011	136,853	80%/50%	Contractor	Department		Department
9/16/2010	9/30/2011	33,043	80%/50%	Contractor	Department		Department
9/15/2010	12/31/2011	1,403,655	80%/50%	Contractor	Department		Department
9/15/2010	9/30/2011	40,492	80%/50%	Contractor	Department		Department
9/20/2010	9/30/2011	539,845	80%/50%	Contractor	Department		Department
9/23/2010	9/30/2011	96,516	80%/50%	Contractor	Department		Department
9/20/2010	8/31/2013	9,000	100%	Contractor	Department		Department
9/24/2010	9/30/2011	16,750	80%/50%	Contractor	Department		Department
9/25/2010	9/30/2011	388,296	80%/50%	Contractor	Department		Department
9/27/2010	9/30/2011	207,845	80%/50%	Contractor	Department		Department
9/27/2010	9/30/2011	318,647	80%/50%	Contractor	Department		Department
9/27/2010	9/30/2011	134,667	80%/50%	Contractor	Department		Department
9/27/2010	9/30/2011	266,891	80%/50%	Contractor	Department		Department
9/28/2010	9/30/2011	302,237	80%/50%	Contractor	Department		Department
9/30/2010	9/30/2011	181,378	80%/50%	Contractor	Department		Department
10/4/2010	9/30/2011	1,011,284	80%/50%	Contractor	Department		Department
10/5/2010	11/30/2011	203,200	80%/50%	Contractor	Department		Department
10/6/2010	11/30/2011	317,632	80%/50%	Contractor	Department		Department
10/12/2010	9/30/2011	641,969	80%/50%	Contractor	Department		Department
7/10/2010	6/30/2011	12,792	13%	Contractor	Department		Department
12/23/2010	6/30/2015	3,626,864	80%	Contractor	Department		Department
12/20/2010	6/30/2015	174,004	80%	Contractor	Department		Department
12/20/2010	6/30/2015	176,121	80%	Contractor	Department		Department
12/20/2010	6/30/2015	189,253	80%	Contractor	Department		Department
12/23/2010	6/30/2015	217,359	80%	Contractor	Department		Department

See Report of Independent Auditors

**NEW MEXICO DEPARTMENT OF TRANSPORTATION
Supplemental Schedule of Joint Powers Agreements**

Contract Number	Contractor	Description	Expended in 2012
M01033	Eastern Plains Council Of Governments	Transportation Plans/Programs	\$ 59,780
M01034	Farmington, City Of	Transportation Plans/Programs	194,891
M01035	North Central New Mexico Economic	Transportation Plans/Programs	81,515
M01036	North Central New Mexico Economic	Transportation Plans/Programs	81,042
M01037	Mid-Region Council Of Governments	Transportation Plans/Programs	62,182
M01038	Santa Fe, City Of	Transportation Plans/Program	240,050
M01039	Las Cruces, City Of	Transportation Plans/Programs	267,281
M01040	South Central Council Of Governments	Transportation Plans/Programs	67,962
M01043	Navajo Nation	Public Transportation Svcs	751,334
M01045	Corrales, Village Of	Safe Routes To School Phase Ii	16,189
M01046	Carlsbad, City Of	Safe Routes To Schools Phase 2	10,181
M01047	Santa Fe, City Of	Ridesharing Program	24,979
M01052	North Central Regional Transit District	Public Transportation Services	616,856
M01054	Portales, City Of	Public Transportation Services	40,800
M01057	Milan, Village Of	Public Transportation Services	63,783
M01060	Las Cruces Public Schools	Safe Routes To School	7,088
M01064	Los Alamos, County Of	Public Transportation Services	149,389
M01065	Alamogordo, City Of	Safe Routes To School Phase 2	1,786
M01066	Silver City Consolidated Schools	Safe Routes To Schools Phase 2	8,220
M01068	Regents Of New Mexico State University	5373 Cn 10450 Bins/Bgis Update	11,857
M01071	Good Shepherd Lutheran Church	Use Of Parking Lot Agreement	5,575
M01072	Carlsbad, City Of	Public Transportation Services	27,205
M01074	Socorro, City Of	Public Transportation Services	42,672
M01075	New Mexico Passenger Transportation Assc	Annual Transit Conference	56,031
M01077	Santa Fe, City Of	Promoting Ridesharing	43,121
M01080	Deming Public Schools	Safe Routes To School W100070	2,303
M01082	Farmington, City Of	Safe Routes To School W500011	9,067
M01085	Us Geological Survey	Investigation/Analysis Floods	64,468
M01090	Arca	Public Transportation Services	81,848
M01091	Las Cumbres Community Services Inc	Public Transportation Services	53,718
M01092	North Central Regional Transit District	Public Transportation Services	706,832
M01093	North Central Regional Transit District	Public Transportation Services	105,408
M01096	Golden Spread Rural Frontier	Public Transportation Services	79,343
M01097	Zia Therapy Ctr Inc	Public Transportation Services	9,610
M01098	Zia Therapy Ctr Inc	Public Transportation Services	305,876
M01100	Laguna, Pueblo Of	Public Transportation Services	30,842

See Report of Independent Auditors

**NEW MEXICO DEPARTMENT OF TRANSPORTATION
Supplemental Schedule of Joint Powers Agreements**

Date of Agreement		Total Estimated	Portion	Party	Audit	Fiscal Agent	Agency Where
Beginning	Ending	Amt of Project	Applicable To Agency	Responsible for Operations	Responsibility	(if applicable)	Revenues/Expenditures are Reported
12/23/2010	6/30/2015	\$ 174,004	80%	Contractor	Department		Department
12/23/2010	6/30/2015	759,709	80%	Contractor	Department		Department
12/21/2010	6/30/2015	174,331	80%	Contractor	Department		Department
12/20/2010	6/30/2015	188,805	80%	Contractor	Department		Department
1/20/2010	6/30/2015	750,471	80%	Contractor	Department		Department
12/20/2010	6/30/2015	1,370,441	80%	Contractor	Department		Department
1/20/2010	6/30/2015	1,346,233	80%	Contractor	Department		Department
12/23/2010	6/30/2015	174,004	80%	Contractor	Department		Department
2/14/2011	8/31/2011	767,500	80%/50%	Contractor	Department		Department
3/15/2011	6/30/2013	25,000	100%	Contractor	Department		Department
3/25/2011	6/30/2013	38,277	100%	Contractor	Department		Department
3/25/2011	6/30/2011	67,653	80%	Contractor	Department		Department
4/20/2011	9/30/2012	632,000	80%/50%	Contractor	Department		Department
4/19/2011	9/30/2012	41,884	80%/50%	Contractor	Department		Department
4/19/2011	9/30/2012	64,000	80%/50%	Contractor	Department		Department
5/2/2011	6/30/2013	25,000	100%	Contractor	Department		Department
5/2/2011	12/31/2012	1,191,884	80%/50%	Contractor	Department		Department
5/3/2011	6/30/2013	25,000	100%	Contractor	Department		Department
5/20/2011	6/30/2013	25,000	100%	Contractor	Department		Department
5/27/2011	12/31/2012	23,446	100%	Contractor	Department		Department
7/1/2011	6/30/2012	9,000	100%	Contractor	Department		Department
6/15/2011	9/30/2012	28,800	80%/50%	Contractor	Department		Department
7/19/2011	8/31/2011	194,269	80%/50%	Contractor	Department		Department
7/27/2011	6/30/2012	96,050	100%	Contractor	Department		Department
8/2/2011	6/30/2012	71,773	80%	Contractor	Department		Department
8/26/2011	6/30/2013	25,000	100%	Contractor	Department		Department
8/26/2011	6/30/2013	25,000	100%	Contractor	Department		Department
10/1/2011	9/30/2012	128,935	50%	Contractor	Department		Department
9/20/2011	9/30/2012	106,520	80%/50%	Contractor	Department		Department
9/20/2011	9/30/2012	53,718	80%/50%	Contractor	Department		Department
9/28/2011	9/30/2012	1,151,040	80%/50%	Contractor	Department		Department
9/29/2011	9/30/2012	151,955	80%/50%	Contractor	Department		Department
9/29/2011	9/30/2012	102,482	80%/50%	Contractor	Department		Department
10/3/2011	9/30/2012	19,800	80%/50%	Contractor	Department		Department
10/4/2011	9/30/2012	504,108	80%/50%	Contractor	Department		Department
9/30/2011	9/30/2012	92,116	80%/50%	Contractor	Department		Department

See Report of Independent Auditors

**NEW MEXICO DEPARTMENT OF TRANSPORTATION
Supplemental Schedule of Joint Powers Agreements**

Contract Number	Contractor	Description	Expended in 2012
M01104	Ruidoso Downs, City Of	Public Transportation Services	\$ 80,526
M01105	Las Vegas, City Of	Public Transportation Services	56,008
M01106	Milan, Village Of	Public Transportation Services	90,888
M01107	Adelante Development Center	Public Transportation Services	15,621
M01108	Milan, Village Of	Public Transportation Services	16,742
M01109	Zuni Entrepreneurial Ent Inc	Public Transportation Services	90,109
M01110	Los Alamos, County Of	Public Transportation Services	35,844
M01113	Socorro, City Of	Public Transportation Services	68,371
M01114	Ben Archer Health Center	Public Transportation Services	67,850
M01115	Portales, City Of	Public Transportation Services	57,768
M01116	Roswell, City Of	Public Transportation Services	489,199
M01117	Red River, Town Of	Public Transportation Services	55,973
M01118	Clovis, City Of	Public Transportation Services	345,000
M01119	Southwest Regional Transit District	Public Transportation Services	344,430
M01120	Southwest Regional Transit District	Public Transportation Services	24,809
M01122	Nanizhoozhi Center Inc	Public Transportation Services	92,684
M01124	Riometro Regional Transit District	Public Transportation Services	776,562
M01125	Riometro Regional Transit District	Public Transportation Services	118,453
M01126	Carlsbad, City Of	Public Transportation Services	195,651
M01127	Carlsbad, City Of	Public Transportation Services	28,099
M01128	Carlsbad, City Of	Public Transportation Services	11,121
M01129	Los Alamos, County Of	Public Transportation Services	178,270
M01130	Los Alamos, County Of	Public Transportation Services	668,741
M01131	Los Alamos, County Of	Public Transportation Services	178,099
M01133	Hobbs, City Of	Public Transportation Services	202,014
M01134	Taos, Town Of	Public Transportation Services	190,417
M01136	The University Of New Mexico	State & Regional Forecasting	12,525
M01138	Navajo Nation	Public Transportation Services	219,954
M01139	Albuquerque, City Of	Rideshare / Tdmp	695,075

See Report of Independent Auditors

**NEW MEXICO DEPARTMENT OF TRANSPORTATION
Supplemental Schedule of Joint Powers Agreements**

Date of Agreement		Total Estimated	Portion	Party	Audit	Fiscal Agent	Agency Where
Beginning	Ending	Amt of Project	Applicable To Agency	Responsible for Operations	Responsibility	(if applicable)	Revenues/Expenditures are Reported
10/4/2011	9/30/2012	\$ 179,785	80%/50%	Contractor	Department		Department
10/3/2011	9/30/2012	143,038	80%/50%	Contractor	Department		Department
10/4/2011	9/30/2012	140,853	80%/50%	Contractor	Department		Department
10/3/2011	9/30/2012	35,132	80%/50%	Contractor	Department		Department
10/5/2011	9/30/2012	25,000	80%/50%	Contractor	Department		Department
10/4/2011	9/30/2012	178,679	80%/50%	Contractor	Department		Department
10/4/2011	9/30/2012	35,844	80%/50%	Contractor	Department		Department
10/5/2011	9/30/2012	104,967	80%/50%	Contractor	Department		Department
10/4/2011	9/30/2012	110,878	80%/50%	Contractor	Department		Department
10/4/2011	9/30/2012	85,486	80%/50%	Contractor	Department		Department
10/3/2011	9/30/2012	808,785	80%/50%	Contractor	Department		Department
10/4/2011	9/30/2012	93,083	80%/50%	Contractor	Department		Department
10/7/2011	12/31/2012	559,845	80%/50%	Contractor	Department		Department
10/4/2011	9/30/2012	572,718	80%/50%	Contractor	Department		Department
10/5/2011	9/30/2012	51,000	80%/50%	Contractor	Department		Department
10/4/2011	9/30/2012	198,811	80%/50%	Contractor	Department		Department
10/6/2011	9/30/2012	1,257,848	80%/50%	Contractor	Department		Department
10/7/2011	9/30/2012	188,305	80%/50%	Contractor	Department		Department
10/13/2011	9/30/2012	328,608	80%/50%	Contractor	Department		Department
10/14/2011	9/30/2012	35,679	80%/50%	Contractor	Department		Department
10/15/2011	9/30/2012	16,750	80%/50%	Contractor	Department		Department
10/14/2011	9/30/2012	192,856	80%/50%	Contractor	Department		Department
10/15/2011	9/30/2012	987,684	80%/50%	Contractor	Department		Department
10/16/2011	9/30/2012	291,288	80%/50%	Contractor	Department		Department
10/17/2011	9/30/2012	263,927	80%/50%	Contractor	Department		Department
10/31/2011	9/30/2012	333,987	80%/50%	Contractor	Department		Department
7/7/2011	7/9/2012	17,007	13%	Contractor	Department		Department
11/8/2011	9/30/2012	457,769	80%/50%	Contractor	Department		Department
2/21/2012	6/30/2012	1,008,022	80%	Contractor	Department		Department

See Report of Independent Auditors

THIS PAGE INTENTIONALLY LEFT BLANK

SINGLE AUDIT

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2012

Federal Agency/ Pass-Through Agency	Federal CFDA Number	Federal Participation Expenditures
Direct Assistance Programs:		
U.S. Department of Energy:		
Waste Isolation Pilot Plant 2004	81.106	11,545,850
Total U.S. Department of Energy		11,545,850
Environmental Protection Agency:		
State Clean Diesel Grant Program - ARRA	66.040	70,698
Total Environmental Protection Agency		70,698
U.S. Department of Transportation:		
Federal Highway Administration		
Highway Planning and Construction:		
Highway Planning and Construction	20.205	402,239,408
Highway Planning and Construction - ARRA	20.205	28,087,226
Total Federal Highway Administration		430,326,634
National Highway Traffic Safety Administration (NHTSA):		
Highway Safety Cluster:		
State and Community Highway Safety	20.600	1,480,858
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	876,036
Occupant Protection Incentive Grants	20.602	97,669
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	6,783,103
State Traffic Safety Information System Improvement Grants	20.610	420,272
Incentive Grant Program to Increase Motorcyclist Safety	20.612	361,176
NHTSA Discretionary Safety Grants	20.614	285,453
		10,304,567
Federal Aviation Division:		
Airport Improvement Program	20.106	138,581
Federal Transit Administration (FTA):		
Federal Transit Capital Investment Grants	20.500	1,715,557
Federal Transit Metropolitan Planning Grants	20.505	473,795
Formula Grants for Other Than Urbanized Areas - ARRA	20.509	1,226,400
Formula Grants for Other Than Urbanized Areas	20.509	14,699,911

See Report of Independent Auditors and Notes to Schedule of Expenditures of Federal Awards

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2012

Federal Agency/ Pass-Through Agency	Federal CFDA Number	Federal Participation Expenditures
U.S. Department of Transportation (continued):		
Federal Transit Administration (FTA) (continued):		
Transit Services Programs Cluster		
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513	841,430
Job Access Reverse Commute Job Access	20.516	641,956
New Freedom Program	20.521	406,933
Total Transit Services Programs Cluster		1,890,319
Total Federal Transit Administration		20,005,982
Total U.S. Department of Transportation		460,775,764
Total Federal Financial Assistance	\$	472,392,312

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the New Mexico Department of Transportation (Department) under programs of the federal government for the year ended June 30, 2012. The information in this Schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. 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 assets of the Department.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Federal grant revenues collected in advance of the period they are intended to finance expenditures are recorded as deferred revenues, except for the amounts for the State Infrastructure Bank, which are recorded as contributions when they are received. The Department did not receive non-cash assistance from federal sources during the current year.

Note 3 - Reconciliation of Federal Awards

Statement of Revenues, Expenditures and
 Changes in Fund Balances:

U.S. Department of Transportation	\$	458,126,724
U.S. Department of Energy		11,545,850
Transfer in of ARRA from Other Agency		70,698
Deferred U.S. Department of Transportation (2012)		14,739,651
Deferred U.S. Department of Transportation (2011)		<u>(12,090,612)</u>

Supplemental Schedule of Expenditures, of Federal Awards	\$	<u>472,392,311</u>
---	----	--------------------

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Notes To Schedule of Expenditures of Federal Awards

Note 4 - Subrecipients of Grant Awards

National Highway Traffic Safety Administration (NHTSA):

CFDA	Program Name	Sub Recipient Name	Amount
20.600	State and Community Highway Safety		
		Bayard, City Of	\$ 416
		Bernalillo, County Of	4,670
		Bernalillo, Town Of	560
		Capitan, Village Of	939
		Eddy County	862
		Farmington, City Of	2,470
		Gallup, City Of	2,099
		Hidalgo County	44
		Luna County (Sheriffs Dept)	7,937
		Rio Rancho Dept Of Public	22,727
		Rio Rancho, City Of	67,500
		Roosevelt, County Of	768
		Total CFDA 20.600	110,992
20.601	Alcohol Impaired Driving Countermeasures Incentive Grants I		
		Albuquerque, City Of	145,069
		Eddy County	42,581
		Farmington, City Of	46,669
		Mckinley, County Of	24,173
		Total CFDA 20.601	258,492
20.602	Environmental Protection Agency:		
		Clovis, City Of	2,518
		Eddy County	6,916
		Mckinley, County Of	1,504
		Santa Clara Pueblo	1,338
		Total CFDA 20.602	12,276

Note 4 - Subrecipients of Grant Awards (continued)

National Highway Traffic Safety Administration (NHTSA) (continued):

CFDA	Program Name	Sub Recipient Name	Amount
20.608	Minimum Penalties for Repeat Offenders for Driving While Intoxicated		
		Alamogordo, City Of	34,286
		Albuquerque, City Of	485,440
		Angel Fire, Village Of	699
		Artesia, City Of	5,926
		Aztec, City Of	4,318
		Bayard, City Of	9,572
		Belen, City Of	6,863
		Bernalillo, County Of	174,423
		Bernalillo, Town Of	10,072
		Bloomfield, City Of	30,728
		Bosque Farms, Village Of	18,752
		Capitan, Village Of	21,965
		Carlsbad, City Of	11,102
		Carrizozo, Town Of	5,211
		Chaves County	8,806
		Cibola County, Treasurer Of	907
		Cimarron, Village Of	2,118
		Clayton, Town Of	3,875
		Cloudcroft, Village Of	251
		Clovis, City Of	33,160
		Colfax County	3,100
		Corrales, Village Of	4,214
		Cuba, Village Of	4,928
		Dona Ana County Of	42,995
		Eddy County	17,969
		Espanola, City Of	8,323
		Estancia, Town Of	2,771
		Farmington, City Of	127,896
		Gallup, City Of	59,260

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Notes To Schedule of Expenditures of Federal Awards

Note 4 - Subrecipients of Grant Awards (continued)

National Highway Traffic Safety Administration (NHTSA) (continued):

CFDA	Program Name	Sub Recipient Name	Amount
20.608	Minimum Penalties for Repeat Offenders for Driving While Intoxicated (continued)		
		Grant County Clerk	21,498
		Grants, City Of	3,928
		Guadalupe County	3,864
		Hidalgo County	17,170
		Hobbs, City Of	8,768
		Hope, Village Of	3,800
		Hurley, Town Of	5,318
		Jemez Springs, Village Of	6,324
		Jemez, Pueblo Of	4,536
		Las Cruces, City Of	117,290
		Las Vegas, City Of	10,217
		Lordsburg, City Of	5,718
		Los Alamos, County Of	14,044
		Los Lunas, Village Of	9,575
		Lovington, City Of	7,884
		Luna County (Sheriffs Dept)	6,679
		Mckinley, County Of	536,362
		Mesilla, Town Of	192
		Mora, County Of	2,760
		Moriarty, City Of	9,874
		Otero County	4,019
		Picuris, Pueblo Of	6,440
		Portales, City Of	10,755
		Pueblo Of Isleta	22,597
		Pueblo Of Nambe	6,765
		Raton, City Of	13,523
		Red River, Town Of	19,160
		Rio Arriba, County Of	112,976
		Rio Rancho Dept Of Public	92,500
		Rio Rancho, City Of	298,803
		Roosevelt, County Of	12,710
		Ruidoso, Village Of	3,833
		San Ildefonso, Pueblo De	7,923
		San Juan, County Of	23,170
		San Miguel County	1,507

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Notes To Schedule of Expenditures of Federal Awards

Note 4 - Subrecipients of Grant Awards (continued)

National Highway Traffic Safety Administration (NHTSA) (continued):

<u>CFDA</u>	<u>Program Name</u>	<u>Sub Recipient Name</u>	<u>Amount</u>
20.608	Minimum Penalties for Repeat Offenders for Driving While Intoxicated (continued)		
		Sandoval, County Of	22,042
		Santa Ana Pueblo	3,608
		Santa Clara Pueblo	2,448
		Santa Clara, Village Of	3,763
		Santa Fe, City Of	134,275
		Santa Fe, County Of	63,007
		Santa Rosa, City Of	9,182
		Sierra County, Treasurer Of	318
		Silver City/Grant County	10,102
		Socorro County	9,103
		Socorro, City Of	11,960
		Sunland Park, Treasurer Of	26,379
		Taos, County Of	17,932
		Taos, Town Of	6,468
		Texico, City Of	4,585
		Torrance County	7,254
		Treasurer Of Loving	7,393
		Truth Or Consequences, City Of	4,912
		Tucumcari, City Of	2,824
		Tularosa Police Department	450
		Valencia, County Of	22,679
		Village Of Hatch	3,058
		Zuni, Pueblo Of	4,551
		Albuquerque, City Of	2,004
		Total CFDA 20.608	2,952,709
20.614	NHTSA Discretionary Safety Grants		
		Farmington, City Of	1,941
		Las Cruces, City Of	3,595
		Santa Fe, City Of	4,335
		Total CFDA 20.610	9,871
Total Sub-Recipient Funds passed through NHTSA			\$ 3,344,340

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Notes To Schedule of Expenditures of Federal Awards

Note 4 - Subrecipients of Grant Awards (continued)

Federal Transit Administration (FTA):

CFDA	Program Name	Sub Recipient Name	Amount
20.500	Federal Transit Capital Investment Grants		
		Ben Archer Health Center	\$ 10,200
		Carlsbad, City Of	85,741
		Clovis, City Of	59,862
		Golden Spread Rural Frontier	1,338
		Hobbs, City Of	51,574
		Los Alamos, County Of	423,105
		Milan, Village Of	67,817
		North Central Regional Transit District	682,624
		Portales, City Of	40,800
		Red River, Town Of	839
		Riometro Regional Transit District	181,427
		Roswell, City Of	75,934
		Socorro, City Of	11,725
		Southwest Regional Transit District	4,831
		Zia Therapy Ctr Inc	48,941
		Total CFDA 20.500	1,746,758
20.505	Federal Transit Metropolitan Planning Grants		
		Las Cruces, City Of	84,256
		Mid-Region Council Of Governments	334,782
		Santa Fe, City Of	10,435
		Socorro, City Of	14,283
		Total CFDA 20.505	443,756
20.509	Formula Grants for Other Than Urbanized Areas		
		Adelante Development Center	25,738
		Carlsbad, City Of	266,511
		Clovis, City Of	508,376
		Golden Spread Rural Frontier	112,927
		Hobbs, City Of	270,448
		Laguna, Pueblo Of	57,181
		Las Cruces, City Of	17,022
		Las Vegas, City Of	128,832
		Los Alamos, County Of	921,428
		Milan, Village Of	130,535
		Navajo Nation	560,332

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Notes To Schedule of Expenditures of Federal Awards

Note 4 - Subrecipients of Grant Awards (continued)

Federal Transit Administration (FTA) (continued):

<u>CFDA</u>	<u>Program Name</u>	<u>Sub Recipient Name</u>	<u>Amount</u>
20.509	Formula Grants for Other Than Urbanized Areas (continued)		
		North Central Regional Transit District	1,108,455
		Portales, City Of	102,786
		Red River, Town Of	94,261
		Riometro Regional Transit District	5,262,638
		Roswell, City Of	583,519
		Ruidoso Downs, City Of	139,701
		Socorro, City Of	87,357
		Southwest Regional Transit District	465,947
		Taos, Town Of	291,575
		Zia Therapy Ctr Inc	387,958
		Zuni Entrepreneurial Ent Inc	141,588
		Total CFDA 20.509	11,665,115
20.513	Capital Assistance Program for Elderly Persons and Persons with Disabilities		
		Adelante Development Center	91,043
		Arca	55,728
		Los Alamos, County Of	203,200
		Riometro Regional Transit District	115,190
		Total CFDA 20.513	465,161
20.516	Job Access Reverse Commute Job Access		
		Ben Archer Health Center	95,458
		Carlsbad, City Of	31,501
		Los Alamos, County Of	153,461
		Milan, Village Of	21,962
		North Central Regional Transit District	139,389
		Riometro Regional Transit District	164,685
		Southwest Regional Transit District	19,979
		Zia Therapy Ctr Inc	15,521
		Total CFDA 20.516	641,956
20.521	New Freedom Program		
		Carlsbad, City Of	17,316
		Los Alamos, County Of	373,341
		North Central Regional Transit District	16,276
		Total CFDA 20.521	406,933
Total Sub-Recipient Funds passed through FTA			\$ 15,369,679

**REPORT OF INDEPENDENT AUDITORS 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. Alvin C. Dominguez, P.E., Cabinet Secretary
 State of New Mexico
 Department of Transportation
 and
 Mr. Hector H. Balderas
 New Mexico State Auditor
 Santa Fe, New Mexico

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue fund, and the combining and individual funds and related budgetary comparisons presented as supplemental information of the State of New Mexico Department of Transportation (Department) as of and for the year ended June 30, 2012, and have issued our report thereon dated December 14, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control,

Mr. Alvin C. Dominguez, P.E., Cabinet Secretary
State of New Mexico
Department of Transportation
and
Mr. Hector H. Balderas
New Mexico State Auditor
Santa Fe, New Mexico

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency in internal control over financial reporting as item 07-7. 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.

Compliance and Other Matters

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

Mr. Alvin C. Dominguez, P.E., Cabinet Secretary
State of New Mexico
Department of Transportation
and
Mr. Hector H. Balderas
New Mexico State Auditor
Santa Fe, New Mexico

We also noted certain other matters that are required to be reported pursuant to Section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and questioned costs as items 07-14, 12-01, and 12-02.

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

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

Mess Adams LLP

Albuquerque, New Mexico
December 14, 2012

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

Mr. Alvin C. Dominguez, P.E., Cabinet Secretary
State of New Mexico
Department of Transportation
and
Mr. Hector H. Balderas
New Mexico State Auditor
Santa Fe, New Mexico

Compliance

We have audited the State of New Mexico Department of Transportation's (Department) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Department's major federal programs for the year ended June 30, 2012. The Department's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Department's management. Our responsibility is to express an opinion on Department's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Department's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Department's compliance with those requirements.

Mr. Alvin C. Dominguez, P.E., Cabinet Secretary
State of New Mexico
Department of Transportation
and
Mr. Hector H. Balderas
New Mexico State Auditor
Santa Fe, New Mexico

In our opinion, the Department complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 11-2.

Internal Control Over Compliance

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

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

Mr. Alvin C. Dominguez, P.E., Cabinet Secretary
State of New Mexico
Department of Transportation
and
Mr. Hector H. Balderas
New Mexico State Auditor
Santa Fe, New Mexico

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item 11-2. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report is solely to 1) describe the scope of our testing of internal control over compliance and the results of that testing; and 2) express an opinion on compliance based on our audit. This report is an integral part of an audit performed in accordance with OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Mess Adams LLP

Albuquerque, New Mexico
December 14, 2012

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

NEW MEXICO DEPARTMENT OF TRANSPORTATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Summary of Auditors' Results

For the Year Ended June 30, 2012

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued

Unqualified

Internal Control over financial reporting:

Material weakness(es) identified?

Yes No

Significant deficiency(s) identified?

Yes None Reported

Non-compliance material to financials statements noted?

Yes No

Federal Awards

Internal Control over major programs:

Material weakness(es) identified?

Yes No

Significant deficiency(s) identified?

Yes None Reported

Type of auditors' report issued on compliance for major programs:

Unqualified

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

Yes None Reported

Identification of Major Programs:

Name of Federal Program or Cluster

CFDA Number

Highway Planning and Construction

20.205

Highway Planning and Construction - ARRA

20.205

Dollar threshold used to distinguish between Types A and B programs

\$3,000,000

Auditee qualified as low-risk auditee?

Yes No

B. FINDINGS – FINANCIAL STATEMENT AUDIT

07-7 ACCOUNTS PAYABLE – (Significant Deficiency) – Repeated and Modified

CONDITION

As a result of performing a search to determine whether the Department had unrecorded liabilities, we provided the department two adjustments to two funds for goods or services received prior to June 30, 2012 and paid after June 30, 2012 that were not accrued at June 30, 2012. Fund 10450 required an adjustment of \$227,338 and Fund 20800 required an adjustment of \$157,927.

CRITERIA

In accordance with the matching principle, expenditures should be recorded in the same period as the receipt and consumption of the goods or services. Governmental Accounting Standards Board (GASB) Codification Section 1600.102 states that: “Under the *cash* basis of accounting, revenues and transfers in are not recognized until cash is received, and expenditures or expenses (as appropriate) and transfers out are recognized only when cash is disbursed. Under the *accrual* basis of accounting, most transactions are recognized when they occur, regardless of when cash is received or disbursed. Items not practicably measurable until cash is received or disbursed are accounted for at that time using either basis of accounting as may be items whose measurement would be approximately the same under either basis or that are immaterial.”

EFFECT

Certain accounts payable liabilities were understated which resulted in inaccurate reporting at the end of the fiscal year that could potentially impact decision making.

CAUSE

The Department did not extend the timeframe for its search for potential unrecorded liabilities to ensure all material accounts payable liabilities in each fund were recorded.

RECOMMENDATION

The Department should enhance its current processes to ensure that unrecorded liabilities at year-end are recorded in the financial statements. This could include additional processes to ensure vendors submit invoices for services performed or goods delivered on a more timely basis.

B. FINDINGS – FINANCIAL STATEMENT AUDIT (continued)

07-7 ACCOUNTS PAYABLE – (Significant Deficiency) – Repeated and Modified (continued)

MANAGEMENT RESPONSE

The Department has made significant improvements over the last few years in obtaining greater control in managing the accrual process and observing the year-end cutoff. Throughout several months prior to the end of the fiscal year, the Financial Control Bureau provides and communicates detailed year-end cutoff instructions in order to give specific guidance for accruals in typical situations. Additionally, the Financial Control Bureau inspects all payment vouchers after the year-end until the audit cutoff date of September 30th to capture and report any accrued payments.

The FY12 refined processes have proven to hold integrity in capturing vouchers needing to be accrued. The same practice will continue, however, the cutoff date of September 30th will be extended through the end of audit fieldwork, thus capturing all vouchers to be accrued and eliminating the amount of errors. Additionally, as of July 1, 2012, a new pre-audit process for payment vouchers has been implemented, versus the old post-audit process done in previous years. This will be a significant internal control and improvement for capturing vouchers requiring accruals in future fiscal years.

Management will continue to counsel and train staff in the year-end cutoff procedures and remind all financial operators of the procedures as part of the year-end planning and routine communications. The primary focus, of training and communicating, will be to the areas that may have not followed the year-end procedures.

C. FINDINGS – FEDERAL AWARDS

11-2 UNTIMELY REPORTING (Significant Deficiency & Non-Compliance)

U.S. Department of Transportation

Federal Highway Administration (FHWA)

Program Years: 2011 and 2012

CFDA #20.205, Highway Planning and Construction (Federal-Aid Highway Program)

QUESTIONED COSTS: None

CONDITION

During our testing of reporting for the FHWA program, we noted that 8 out of 25 reports selected were submitted over 90 days after the expiration of the grant support through the Federal Management Information System (FMIS).

CRITERIA

FHWA requires that a Federal Project Closeout Form be submitted through the FMIS at the close of each project. According to the Code of Federal Regulations (CFR), 49 CFR 18.41(b)(4), when reports are required on a quarterly basis or semi-annual basis, they will be due 30 days after the reporting period. When required on an annual basis, they will be due 90 days after the grant year. Final reports will be due 90 days after the expiration or termination of grant support.

EFFECT

Late reports could result in a reduced ability to appropriately track the performance of projects funded with federal funds.

CAUSE

Management did not monitor this requirement sufficiently due to re-organizations and system conversion challenges.

RECOMMENDATION

We recommend the Department staff continue its efforts to close-out projects and report timely to the FHWA.

**NEW MEXICO DEPARTMENT OF TRANSPORTATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Findings and Questioned Costs - Major Federal Award Programs Audit**

C. FINDINGS – FEDERAL AWARDS (CONTINUED)

11-2 UNTIMELY REPORTING (Significant Deficiency & Non-Compliance) (continued)

MANAGEMENT RESPONSE

The Department recognized that there were projects that had not been closed timely. This was due to three issues that impacted the program during prior fiscal years. The implementation of the new financial system, the consolidation of two bureaus to one bureau as recommended by FHWA during the project closure review, and the providing of project managers with clear direction on the project closure process. Therefore, in November of 2010 the Department implemented closure procedures and commenced a review of all FHWA construction projects. As a result of these efforts, over 270 projects were closed. The process has now been modified to include all other FHWA funded projects and the Department will continue to review all projects continuously. Since the new established processes were not fully implemented until July of 2011, the Department expected the finding to repeat in FY12. At the recommendation of FHWA, we will be requiring monthly status reports on all FHWA funded projects effective in January of 2013.

D. FINDINGS – OTHER MATTERS

07-14 OVER-EXPENDED APPROPRIATION UNITS – (Other Matter) Repeated and Modified

CONDITION

The Department exceeded budgeted expenditures for the following funds/categories as of June 30, 2012:

P564: Business Program Support; category 400—other costs over-expended by \$ 1,405,592.

CRITERIA

Per statute 5.3.4.10 NMAC, total expenditures may not exceed amounts shown in the approved budgets. Adequate internal controls to minimize budget overspending should ensure that budgets are not exceeded by any amount. The point in the disbursement cycle in which the transaction should be cancelled if budget is not available is at the beginning with the purchase request.

CAUSE

Expenditures were approved for payment when budgeted funds were not available. Budget adjustment requests were not completed to cover the increase in expenditures.

EFFECT

The Department is not in compliance with statutory requirements to obtain approval prior to making expenditures.

RECOMMENDATION

We recommend the Department track legally adopted budgets and applicable adjustments to budgets and expenditures properly to comply with all legal requirements.

D. FINDINGS – OTHER MATTERS (Continued)

07-14 OVER-EXPENDED APPROPRIATION UNITS (Other Matter) - (Continued) – Repeated and Modified

MANAGEMENT RESPONSE

Through the general state designated process of the payment of expenditures, expenditures without sufficient budget authority do not normally occur as payments cannot be generated through the State Financial System (SHARE) without sufficient budget. Overages occur if the payment is paid through a 3rd party and is not generated through the State Financial System. The primary cause of expenditures that occur outside of the State Financial System are when payments are made directly with Department funds held through a trustee account. The primary cause of over-expenditures has resulted from unbudgeted debt transactions. There are two main types of transactions that are unbudgeted.

The first type of situation involves the treatment of the CHAT and HIF bonds debt service. The frequency and amount of these scenarios are decreasing since these bonds are gradually being paid off. Given the language in the bond documents which required a separate set of self-balancing accounts (i.e. a debt service fund, rather than funds tracked separately), the Department of Finance and Administration determined that all debt service paid on behalf of those bonds needed to be recorded as having been expensed out of those debt service funds. Our normal budgeting process involves budgeting and paying for debt service in the operating funds where the revenue is generated such as the State Road Fund. This process also allows the Department to recognize and bill FHWA for those debt service amounts which qualify for federal reimbursement since the FHWA billing process is set up only in the State Road Fund. In order to avoid a duplication of debt service expenditures in the operating fund and the respective debt service funds, a journal entry is made to reverse the debt service expenditures out of the operating fund and record them as operating transfers of revenue out to the specific debt service funds. A simultaneous entry is then made in the respective debt service funds to recognize the operating transfers in and to record the debt service expenditures and comply with the bond covenants. Since debt service expenditures have not been budgeted for in the debt service funds, this accounting treatment results in over-expended appropriation. **The Department expects to fully refund the remaining outstanding CHAT and HIF bonds during FY13 due to favorable interest rate savings. As a result, corresponding accounting treatment will no longer be necessary and this finding should go away.**

The second type of situation involves expenditures that were not adequately anticipated and may involve the use of debt service fund cash balances that have not been budgeted. This scenario generally involves interest and fees associated with the variable debt. The budget is normally prepared a year in advance based on projected debt service schedules. During the current period, shortages from budgeted debt service set asides are incurred and some debt costs are directly paid by the trustee from excess debt service fund cash balances. **The Department understands the budget impact of these situations and will work with the Budget Office to take appropriate actions as necessary to include budget adjustments when possible to account for such shortages.**

D. FINDINGS – OTHER MATTERS (CONTINUED)

12-01 RETAINAGE PAYABLE RECONCILIATION (Other Matter)

CONDITION

As a result of audit testwork over Retainage Payable, we noted that the Department has not completed its reconciliation of the retainage payable liability account for Funds 10070, 10450, 20100, 43100, 89000, 10210, 10250, 20400, 10060, and 89200.

CRITERIA

The Manual of Model Accounting Practices requires that all state agencies “perform monthly reconciliations” and “Maintain accounts and information as necessary to show the sources of state revenues and the purpose for which expenditures are made and provide proper accounting control to protect state finances. Additionally, Section 6-5-2 NMSA 1978 states that “State agencies shall comply with the model accounting practices established by the Financial Control Division and the administrative head of each agency shall ensure that the model accounting practices are followed.”

EFFECT

There is an increased risk of error in the financial records.

CAUSE

The Department has not developed and communicated well-established policies and procedures over financial close and reporting for Retainage Payable.

RECOMMENDATION

We recommend the Department develop procedures to reconcile Retainage Payable accounts to the trial balance on a monthly basis.

MANAGEMENT RESPONSE

During FY12 the Department recognized that the retainage payable accounts needed to be reconciled and established processes and procedures to start reconciling each fund, however, the process was very time consuming. Retainage payable accounts needed to be reconciled to subsidiary federal project accounts and original payment transactions. The process required coordination between Accounting Services and Federal Funding Control staff to identify and correct all discrepancies. Many of the projects were closed in SHARE and reopening of the projects and posting correcting entries had to be coordinated with the Department of Finance during times that the financial system was not available to other users. We reconciled most of the funds but still had 10 funds remaining. We will continue with the process during FY13.

D. FINDINGS – OTHER MATTERS (Continued)

**12-02 NOTIFICATION TO THE OFFICE OF STATE AUDITOR OF VIOLATION OF CRIMINAL STATUTE
(Other Matter)**

CONDITION

We were informed by the Office of the State Auditor (State Auditor) that the Department did not notify the State Auditor in writing upon discovery of a violation of a criminal statute in connection with financial affairs.

CRITERIA

Per NMSA 1978 12-6-6 and NMAC 2.2.2.10.K2, the Department shall notify the State Auditor immediately, in writing, upon discovery of any violation of a criminal statute in connection with financial affairs. The notification shall include an estimate of dollar amount involved, and a complete description of the violation, including names of persons involved and any action taken or planned.

EFFECT

The Department is in violation of NMSA 1978 12-6-6 and NNMC 2.2.2.10.K2.

CAUSE

The Department did not inform the State Auditor as there was a pending federal case and believed that jurisdiction restraints on confidentiality prevented the Department from notifying the State Auditor.

RECOMMENDATION

The Department should implement procedures to ensure that any possible violations of criminal statute are reported to the State Auditor as required by statute.

MANAGEMENT RESPONSE

The Department is aware of the reporting requirements and has reported past violations, however, circumstances specific to this criminal case prevented notification in a timely manner. The Department's Office of Inspector General will work with the State Auditor's Office to establish appropriate reporting protocols for similar future situations.

B. Financial Statement Audit

- 07-7 Accounts Payable (Significant Deficiency) - Repeated and Modified
- 07-14 Over-Expended Appropriation Units (Significant Deficiency & Non-Compliance) - Repeated and Modified
- 08-8 Untimely Reversion to State General Fund (Non-Compliance) - Resolved
- 10-1 System Stability and Data Integrity (Significant Deficiency) - Resolved
- 11-1 Lack of Controls Over Inventory (Significant Deficiency) - Resolved

C. Federal Awards

- 11-2 Untimely Reporting (Significant Deficiency & Non-Compliance) - Repeated and Modified

D. Compliance and Other Matters

- 10-5 Untimely Billings & Reimbursements (Control Deficiency) - Resolved
- 10-12 Reconciliations - Financial Close and Reporting (Control Deficiency) - Resolved
- 10-13 SHARE and Network User Accounts (Control Deficiency) - Resolved
- 10-14 Security Access Control Testing and Review (Control Deficiency) - Resolved
- 11-3 Sub-recipient Monitoring - FTA (Non-Compliance) - Resolved
- 11-4 Disposal of Capital Assets (Non-Compliance) - Resolved

An exit conference was held with the Department on December 13, 2012. The conference was held at the Department's offices in Santa Fe, New Mexico. In attendance were:

STATE OF NEW MEXICO DEPARTMENT OF TRANSPORTATION

Tom J. Church, Deputy Secretary
Ronald L. Schmeits, Commissioner
Larry L. Viarreal, Accounting Services Director
Bridgette Long, Accounting Services Manager
Anthony Lujan, Inspector General

MOSS ADAMS LLP

Scott Eliason, Partner
Jason Galloway, Assurance Senior Manager
Sandy Schwank, Assurance Manager

PREPARATION OF FINANCIAL STATEMENTS

The financial statements presented in this report have been prepared by the Department with assistance from Moss Adams LLP and are the responsibility of management.