

**New Mexico Department of Transportation  
Financial Statements  
for the Year Ended  
June 30, 2014  
and Independent Auditors' Report**

**NEW MEXICO DEPARTMENT OF TRANSPORTATION**  
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Year Ended June 30, 2014

Commission

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

Administrative Officers

Tom Church	Cabinet Secretary
Anthony Lujan	Deputy Secretary



# CliftonLarsonAllen

## Independent Auditors' Report

Mr. Tom Church, Cabinet Secretary  
State of New Mexico Department of Transportation  
and Mr. Hector H. Balderas, State Auditor

### Report on the Financial Statements

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 funds of the State of New Mexico Department of Transportation (Department) as of and for the year ended June 30, 2014 and the related notes to the financial statements, which collectively comprise the Department's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the Department's non-major governmental funds and the budgetary comparisons for the non-major funds presented as supplementary information, as defined by the Governmental Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2014, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Department as of June 30, 2014, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of each non-major fund of the Department as of June 30, 2014, and the respective changes in financial position and the respective budgetary comparisons for the major debt service fund and all nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in Note 1, the financial statements of the State of New Mexico Department of Transportation, are intended to present the financial position, the changes in financial position, and where applicable, cash flows of only that portion of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Department that is attributable to the transactions of the Department. They do not purport to, and do not present fairly the financial position of State of New Mexico as of June 30, 2014, the changes in its financial position, or where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 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 which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the Department's basic financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The schedule of expenditures of federal awards as required by Office of Management and Budget *Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and other schedules required by

*Section 2.2.2 NMAC* are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and other schedules required by *Section 2.2.2 NMAC* are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and other schedules required by *Section 2.2.2 NMAC* are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2014, 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 result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department's internal control over financial reporting and compliance.

**CliftonLarsonAllen LLP**

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

Albuquerque, New Mexico  
December 15, 2014

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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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, 2014. 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 41 of this audit report.

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.

## **1. Overview of the Financial Statements**

### ***Financial Highlights***

The Department's net position decreased by \$250,061,177, and the net position of the Department's governmental activities decreased by \$250,076,092 primarily due to depreciation of infrastructure assets exceeding additions and improvements during the current fiscal year.

### ***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 Position presents information on all of the Department's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position changed during the fiscal year. All changes in net position 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 24 of this report.

### ***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.

## 1. Overview of the Financial Statements - continued

### **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 53 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 and deferred outflows of resources, b) total governmental fund liabilities and deferred inflows of resources, 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 (Funds #10040 and 20100). 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 Schedule of General Fund Components - Balance Sheet, and Statement of Revenues, Expenditures and Changes in Fund Balance.

2014A Bond Project Fund (Fund #11970). The bond project fund was created when the \$70,110,000 NMFA State Transportation Subordinate Lien Revenue Bonds Series 2014A were issued in March 2014. 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 and pay expenses incurred to issue the debentures. The fund does not receive state general fund appropriations that are subject to reversions.

## **1. Overview of the Financial Statements - continued**

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 two major funds. Data from the other 50 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 106 through 132.

### ***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 34 through 35 and the cash flows statement is on page 36 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 41.

### ***Other Information***

In addition to the basic financial statements and accompanying notes, this report also presents certain other information including the Schedules of General and Traffic Safety Fund Components - Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance, Supplemental Schedule of Capital Projects, Supplemental Schedule of Severance Tax Bonds, Supplemental Schedule of Special Appropriations, Supplemental Schedule of Special Revenue - Bond Projects, Supplemental Schedule of Individual Bank Accounts, Supplemental Schedule of Pledged State Revenues, Supplemental Schedule of Debt Service and Cover, Supplemental Schedule of Joint Powers Agreements, and the Schedule of Expenditures of Federal Awards.

### ***Government-wide Financial Analysis***

As noted earlier, net position may serve over time as a useful indicator of the Department's financial position. At June 30, 2014, the Department's assets exceeded liabilities by \$5,153,641,005.

The largest portion of the Department's net position 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.

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**NEW MEXICO DEPARTMENT OF TRANSPORTATION**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2014**

**1. Overview of the Financial Statements - continued**

Net position

As of June 30, 2014 and 2013, the Department has positive balances in two categories of net position, 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 position as of June 30, 2014 and 2013.

**Table A-1 The Department's net position**

	Governmental Activities		Business-type Activities	
	2014	2013	2014	2013
<b>Assets:</b>				
Current and other assets	\$ 492,636,200	\$ 498,230,423	\$ 20,922,448	\$ 20,939,797
Capital assets and other	6,311,249,020	6,623,581,695	-	-
<b>Total Assets</b>	<b>\$ 6,803,885,220</b>	<b>\$ 7,121,812,118</b>	<b>\$ 20,922,448</b>	<b>\$ 20,939,797</b>
<b>Deferred Outflows:</b>				
Deferred loss on refunding	\$ 78,273,770	\$ 85,651,424	-	-
Deferred outflow of resources	56,677,698	58,445,464	-	-
	<b>\$ 134,951,468</b>	<b>\$ 144,096,888</b>	<b>-</b>	<b>-</b>
<b>Liabilities:</b>				
Current liabilities	\$ 226,800,574	\$ 284,794,101	\$ 180,000	\$ 212,264
Long-term liabilities	1,579,137,557	1,598,140,256	-	-
<b>Total Liabilities</b>	<b>\$ 1,805,938,131</b>	<b>\$ 1,882,934,357</b>	<b>\$ 180,000</b>	<b>\$ 212,264</b>
<b>Net Position:</b>				
Net investment in capital assets	\$ 4,618,007,984	\$ 4,884,648,804	-	-
Restricted	514,890,573	498,325,845	20,742,448	20,727,533
<b>Total Net Position</b>	<b>\$ 5,132,898,557</b>	<b>\$ 5,382,974,649</b>	<b>\$ 20,742,448</b>	<b>\$ 20,727,533</b>

NEW MEXICO DEPARTMENT OF TRANSPORTATION  
Management's Discussion and Analysis  
Year Ended June 30, 2014

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Total	
2014	2013
\$ 513,558,648	\$ 519,170,220
6,311,249,020	6,623,581,695
\$ 6,824,807,668	\$ 7,142,751,915
\$ 78,273,770	\$ 85,651,424
56,677,698	58,445,464
\$ 134,951,468	\$ 144,096,888
\$ 226,980,574	\$ 285,006,365
1,579,137,557	1,598,140,256
\$ 1,806,118,131	\$ 1,883,146,621
\$ 4,618,007,984	\$ 4,884,648,804
535,633,021	519,053,378
\$ 5,153,641,005	\$ 5,403,702,182

**NEW MEXICO DEPARTMENT OF TRANSPORTATION**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2014**

**1. Overview of the Financial Statements - continued**

Changes in net position

Table A-2 provides a summary of the Department's operations for the years ended June 30, 2014 and 2013. Governmental activities decreased the Department's net position by \$250,076,092 in 2014 and decreased the Department's net position by \$226,724,922 in 2013. Business-type activities increased the Department's net position by \$14,915 in 2014 and by \$66,525 in 2013, due to interest income earned during the year.

**Table A-2 Changes in the Department's net position**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>	
	<b>2014</b>	2013	<b>2014</b>	2013
<b>Revenues:</b>				
Program revenues:				
Charges for services	\$ 82,963,659	\$ 45,850,237	\$ -	-
Operating grants	26,251,817	20,880,640	-	-
Capital grants	369,138,852	441,146,787	-	-
General revenues:				
User and fuel taxes	396,375,801	390,149,214	-	-
Interest income	2,143,879	3,804,981	14,915	66,525
Special revenues:				
Gain (loss) on disposal of assets	(199,839)	1,149,083	-	-
<b>Total Revenues</b>	<b>876,674,169</b>	<b>902,980,942</b>	<b>14,915</b>	<b>66,525</b>
<b>Expenses:</b>				
Programs and infrastructure	793,966,118	842,638,581	-	-
Transportation and highway operations	293,555,999	202,343,925	-	-
Program support	50,942,000	92,803,958	-	-
<b>Total Expenses</b>	<b>1,138,464,117</b>	<b>1,137,786,464</b>	<b>-</b>	<b>-</b>
<b>Net Revenues Before Transfers and Reversions</b>	<b>(261,789,948)</b>	<b>(234,805,522)</b>	<b>14,915</b>	<b>66,525</b>
<b>Transfers and Reversions</b>	<b>11,713,856</b>	<b>8,080,600</b>	<b>-</b>	<b>-</b>
<b>(Decrease) Increase in Net Position</b>	<b>(250,076,092)</b>	<b>(226,724,922)</b>	<b>14,915</b>	<b>66,525</b>
<b>Net Position, Beginning of Fiscal Year</b>	<b>5,382,974,649</b>	<b>5,609,699,571</b>	<b>20,727,533</b>	<b>20,661,008</b>
<b>Net Position, End of Fiscal Year</b>	<b>\$ 5,132,898,557</b>	<b>\$ 5,382,974,649</b>	<b>\$ 20,742,448</b>	<b>\$ 20,727,533</b>

**1. Overview of the Financial Statements - continued**

Total			
2014	2013		
\$	82,963,659	\$	45,850,237
	26,251,817		20,880,640
	369,138,852		441,146,787
	396,375,801		390,149,214
	2,158,794		3,871,506
	(199,839)		1,149,083
	876,689,084		903,047,467
	793,966,118		842,638,581
	293,555,999		202,343,925
	50,942,000		92,803,958
	1,138,464,117		1,137,786,464
	(261,775,033)		(234,738,997)
	11,713,856		8,080,600
	(250,061,177)		(226,658,397)
	5,403,702,182		5,630,360,579
\$	5,153,641,005	\$	5,403,702,182



**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 2014 fiscal year, the Department's governmental funds reported combined ending fund balances of \$377,865,433 an increase of \$24,744,088 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 \$43,864,320.

The changes in fund balance for the Department's major funds for 2014 are as follows:

State Road Fund(s) (Fund #10040 and 20100)	\$ (39,483,354)
2014A Bond Project Fund (Fund #11970)	<u>80,002,398</u>
Major funds, net change in fund balances	<u><u>\$ 40,519,044</u></u>

The net decrease in the State Road Fund(s) is due to an increase in expenditures resulting from rebudgeting of prior year fund balances.

The net increase in the 2014A Bond Project Fund is due to the receipt of proceeds from the issuance of the NMFA State Transportation Subordinate Lien Revenue Bonds Series 2014A issued in March 2014.

**1. Overview of the Financial Statements - continued**

***Budgetary Highlights***

The Department's operating budgets (excludes multi-year funds) are on a modified accrual basis and not all available funds are budgeted in order to provide for a reserve. The Department made subsequent revisions to the original approved budget of \$141,313,324. Overall, these changes were caused by the following significant budget adjustments:

Increase--Mesa PDC warranty reimbursement work on U.S. 550	\$ 880,531
Increase-Rest area improvements, heavy equipment and contract maintenance	20,000,000
Increase-Additional Federal Highway Administration redistribution funds	79,500,000
Increase--Mesa PDC warranty reimbursement work on U.S. 550	5,000,000
Debt Service for 2004B GRIP from liquidation of 2004b bond reserve account	33,000,000
Increase-Debt Service for 2014A HIF Bonds	642,347
Increase-Operating Transfer from State Road Fund to Federal Planning and Development Fund	1,290,446
Increase-Debt Service for Highway Infrastructure Fund Bonds	1,000,000
	<u>\$ 141,313,324</u>

The Department's original operating budget for fiscal year 2014 was \$864,559,800. This budget included \$830,159,800 of new revenues and \$34,400,000 of prior year funds rebudgeted. The final budget for the fiscal year was \$1,331,628,105. The \$467,068,305 increase in budget was due to FY14 budget adjustments discussed above and the Department's authorized practice of rolling forward into FY14 its remaining FY13 unexpended contracts and purchase orders. The appropriation budgetary period for those FY13 unexpended contracts and purchase orders lapses at the end of the FY13 fiscal year and the Department has to re-establish the budget in FY14 to re-appropriate the balance of its unexpended contracts and purchase orders. The Department funds the budget increase by utilizing the balance of the unused FY13 budget revenues that were originally budgeted for the unexpended contracts and purchase orders. The roll forward budget of \$297,973,933 is not included in the above schedule of budget adjustments. In addition, there was a remaining unexpended budget balance of \$27,781,048 included in the FY14 budget left over from a \$35,000,000 special appropriation budgeted in FY13. This remaining budget was funded by prior year funds and is also 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, 2014, amounts to \$6,294,312,005 (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 2013-2014 Active Projects with a contract amount of \$10 million or more:

I-10/NM 292 Interchange for 3.30 miles - Doña Ana County  
I-40/US 285 Interchange for 3.394 miles - Torrance County  
NM 136, MP 4.000 to MP 5.000 - Doña Ana County  
US 82, MP 175.225 to MP 191.450 for 16.222 miles - Lea County  
I-10/NM 28, Interchange for 1.700 Miles - Doña Ana County  
NM 528, MP 7.110 to MP 8.660 for 1.548 miles - Sandoval County  
US 64, MP 60.000 to MP 62.002 for 2.002 Miles - San Juan County  
US 54, MP 112.700 to MP 119.000 for 6.345 miles - Lincoln County  
US 491, MP 36.962 to MP 42.427 for 5.465 miles - San Juan County  
I-25, MP 88.800 to 91.989 for 3.189 miles - Sierra County  
US 62/180, MP 35.040 to MP 35.590 and US 285, MP 33.262 to - Eddy 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 54, MP 163.230 to MP 175.098 for 11.866 miles - Lincoln County  
US 54, MP 94.230 to MP 107.100 for 12.870 Miles - Otero County  
US 54, MP 130.000 to MP 146.000 for 15.912 miles - Lincoln County  
US 491, MP 15.03 to MP 37.00 - McKinley County

**1. Overview of the Financial Statements - continued**

Automotive and Major Road Fund Equipment

For fiscal year 2014, the Automotive and Major Road Fund Equipment modified accrual basis budget total was approximately \$18,684,514 million. Of this budget, approximately \$18,081,927 was fully expended at June 30, 2014. 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**

	2014	2013
Land	\$ 5,177,044	\$ 5,177,044
Construction in Process	174,433,903	193,763,345
Right of Way	497,125,985	488,134,031
Infrastructure	14,797,435,527	14,978,703,392
Equipment and furniture	31,790,530	29,351,499
Library	102,614	102,614
Buildings	48,117,790	48,367,059
Automotive and Major Road Fund Equipment	212,976,302	202,599,261
Accumulated depreciation	(9,472,847,690)	(9,342,742,514)
<b>Total</b>	<b>\$ 6,294,312,005</b>	<b>\$ 6,603,455,731</b>

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, 2014, the Department had a total outstanding debt (bonds) of \$1,443,290,000. Outstanding bond debt is backed by the Department's anticipated state tax revenues and FHWA revenues.

**Table A-4**  
**Department's Outstanding Debt**

	<u>2014</u>	<u>2013</u>
Bonds (excludes deferred amounts on refunding)	<u>\$ 1,443,290,000</u>	<u>\$ 1,479,790,000</u>

The Department's total bond debt decreased by 2.5%, or (\$36,500,000). Total outstanding bond debt at the end of the 2014 fiscal year was \$1,443,290,000 compared to \$1,479,790,000 at the end of the 2013 fiscal year. The net decrease in debt resulted from \$106,610,000 in principal repayments and a new bond issue in the amount of \$70,110,000. See Note 14 for a detail of all outstanding bonds.

The Department did not pay any arbitrage to the Internal Revenue Service for any excess interest earned on bond proceeds during the fiscal year and did not have any arbitrage liability at the end of 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 (MSAs) 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:

Federal Revenue—The amount of federal aid (obligation limitation) available to all states is currently being administered by the Highway and Transportation Funding Act of 2014 known as MAP-21 Extension FFY15. MAP-21 was signed in 2012 and was originally in effect for FFY13 and FFY14. New Mexico received obligation limitation averaging \$320 million for FFY13 and FFY14.

Federal Transit Administration Funds - NMDOT reported revenue of \$12,732,206 in FY 2014 Federal Transit Administration grant funds.

National Highway Traffic Safety Administration Funds - NMDOT reported revenue of \$13,519,611 in FY 2014 of National Highway Traffic Safety Administration grant funds.

## 2. Economic Factors and Revenue Forecasts - continued

### 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%.

Department of Transportation revenues were 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 tax) 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) were comparatively more stable. With recent improvements in the US economy, trucking activity has begun to improve and concurrently trucking related revenues have also begun to improve. 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 2018 is forecast to be the year that revenues finally surpass the FY 2007 level, with the peak-to-return cycle lasting 11 years: falling for 3 years by 10% and slowly climbing for 8 years to fully recover.

The latest (July 2014) revenue forecast for the State Road Fund expects a revenue growth of 0.1% in FY2015, followed by growth in the 0.6% to 1.8% range during the subsequent four fiscal years. The revenue forecast for the Department as a whole is flat for FY2015, followed by growth in the 0.3% to 1.8% range during the subsequent four fiscal years.

### *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.

## 2. Economic Factors and Revenue Forecasts - continued

Revenues from gasoline, special fuels, weight/distance and vehicle constitute 93% of the state road fund. These revenues were consistent with the forecasts for the periods where taxes were increased and did add the expected \$60 million for GRIP debt service and highway maintenance expenditures. National economic trends impacting the trucking industry provided for strength in revenue growth in FY 2005 through FY 2007 and led the decline in FY 2008 through FY 2010. The interstate-trucking based revenues (special fuel tax and weight distance tax) are now the primary contributors to Road Fund growth. On the other hand, gasoline revenue is expected to plateau in FY2018.

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 \$108.5 million in revenue in FY 2014. This tax is 17 cents per gallon of gasoline sold, with about three-fourths distributed to the state road fund and the remainder distributed 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.

Of much interest and frequent query, is how New Mexico's gasoline usage (gallons) was impacted by the dramatic price increase between 2004 and 2008 and in light of the economic slowdown. Somewhat surprisingly, for New Mexico, there was very little change in gasoline usage. For the past 15 years, between FY 2000 and FY 2014, Road Fund gasoline revenues have averaged \$110 million; gasoline revenues have only varied by more than a few million from that average twice (less than \$5 million above average in FY 2007 and less than \$5 million below average in FY 2012).

*Special fuel tax* (primarily diesel) is the second largest of the state's revenue sources, providing about \$92.8 million in FY 2014, 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 \$92.8 million in FY 2014.

*Weight/Distance tax* is charged on trucks over 26,000 pounds and varies by maximum gross weight of the vehicle 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 \$74.8 million in revenue in FY 2014, down from the peak of \$77.4 million in FY 2008. Its rates were also raised in the fall 2003 special legislative 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. The peak year of FY 2007 also experienced significant non-economic based growth as revenue processing issues shifted prior year revenue into FY 2007.



## 2. Economic Factors and Revenue Forecasts - continued

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 \$76.7 million in FY 2014. 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 \$4.6 million in FY 2014. 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.

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 in FY 2008, \$2.3 million in FY 2009, and \$1.4 million in FY 2010. With improvements to this situation, FY 2011 revenue came in at about \$2.7 million; late payments from the national depository in FY 2012 led to a decrease in revenue of only \$881 thousand. Revenue in FY 2013 came in at \$3.2 million and \$2.0 million in FY 2014. Future years are expected at the \$3 million level.

## 2. Economic Factors and Revenue Forecasts - continued

### *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 nine years tribal sales have been between 55 million and 69 million gallons per year (around 6% or 7% of total gasoline sales). On tribal gasoline sales totaled to 62.9 million gallons in FY 2014.

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, a distribution equal to 40% of the tax collected on 30 million gallons of gasoline per year is made to each of the two Pueblos, in exchange for the Pueblos ceasing their wholesale sales activities outside reservation boundaries. The result of these agreements (originally entered into in 2004) was more predictable gasoline revenues. Chapter 15, Laws 2010 (Senate Bill 59 from the 2010 regular legislative session) allowed these agreements to be extended under the same terms for an additional 10 years. The agreements were both renewed in 2014.

## 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

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## **FINANCIAL STATEMENTS**

**NEW MEXICO DEPARTMENT OF TRANSPORTATION**  
**Statement of Net Position**

As of June 30, 2014

	<b>Governmental Activities</b>	<b>Business-type Activities (State Infrastructure Bank)</b>	<b>Total</b>
<b>Current Assets:</b>			
Cash (Note 2):			
Unrestricted	\$ 2,100	\$ -	\$ 2,100
Cash equivalents (Note 2): (Investment in state general fund investment pool)			
Restricted	218,214,965	20,740,869	238,955,834
Managed by NMFA	118,002,049	-	118,002,049
Receivables:			
Accounts receivable, net (Note 3)	6,602,604	-	6,602,604
Interest receivable	1,618	-	1,618
Notes and loans receivable (Note 5)	-	180,000	180,000
Other receivables	18,646	-	18,646
Due from:			
U.S. Department of Transportation (Note 6)	48,107,440	-	48,107,440
Other funds (Note 7)	-	-	-
Other state agencies (Note 8)	74,759,473	1,579	74,761,052
Inventories (Note 9)	14,726,136	-	14,726,136
Prepaid expense - other	4,925	-	4,925
Prepaid expense - NM44 warranty, net	3,189,030	-	3,189,030
Property held for resale, net	9,007,214	-	9,007,214
<b>Total Current Assets</b>	<b>492,636,200</b>	<b>20,922,448</b>	<b>513,558,648</b>
<b>Non-Current Assets:</b>			
Prepaid expense - NM44 warranty, net	16,937,015	-	16,937,015
Capital assets, net (Note 10)	6,294,312,005	-	6,294,312,005
<b>Total Non-Current Assets</b>	<b>6,311,249,020</b>	<b>-</b>	<b>6,311,249,020</b>
<b>Total Assets</b>	<b>6,803,885,220</b>	<b>20,922,448</b>	<b>6,824,807,668</b>
<b>Deferred Outflows of Resources:</b>			
Deferred loss on refunding (Note 14)	78,273,770	-	78,273,770
Deferred outflow of resources (Note 14)	56,677,698	-	56,677,698
<b>Total Deferred Outflows of Resources</b>	<b>134,951,468</b>	<b>-</b>	<b>134,951,468</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 6,938,836,688</b>	<b>\$ 20,922,448</b>	<b>\$ 6,959,759,136</b>

See Independent Auditors' Report and Notes to Financial Statements

**NEW MEXICO DEPARTMENT OF TRANSPORTATION**  
**Statement of Net Position**

As of June 30, 2014

	Governmental Activities	Business-type Activities (State Infrastructure Bank)	Total
<b>Current Liabilities:</b>			
Accounts payable and contracts payable, including retainage of \$6,698,088	\$ 103,805,002	\$ -	\$ 103,805,002
Due to:			
Other state agencies (Note 12)	15,501,738	-	15,501,738
State general fund	203,534	-	203,534
Local governments (Note 13)	68,084	180,000	248,084
Other accrued expenses	3,000,354	-	3,000,354
Other liabilities	1,095,280	-	1,095,280
Current portion of long-term obligations (Note 14):			
Compensated absences	5,960,118	-	5,960,118
Debentures payable	84,080,000	-	84,080,000
Capitalized bond premium	13,086,464	-	13,086,464
<b>Total Current Liabilities</b>	<b>226,800,574</b>	<b>180,000</b>	<b>226,980,574</b>
<b>Long-Term Liabilities:</b>			
Long-term obligations (Note 14):			
Derivative instruments interest rate swap	96,042,322	-	96,042,322
Debentures payable	1,359,210,000	-	1,359,210,000
Capitalized bond premium, net	123,885,235	-	123,885,235
<b>Total Long-Term Liabilities</b>	<b>1,579,137,557</b>	<b>-</b>	<b>1,579,137,557</b>
<b>Total Liabilities</b>	<b>1,805,938,131</b>	<b>180,000</b>	<b>1,806,118,131</b>
<b>Net Position:</b>			
Net investment in capital assets	4,618,007,984	-	4,618,007,984
Restricted for:			
Unspent bond proceeds	105,155,260	-	105,155,260
Loans	-	20,742,448	20,742,448
Specific purposes	409,735,313	-	409,735,313
<b>Total Net Position</b>	<b>5,132,898,557</b>	<b>20,742,448</b>	<b>5,153,641,005</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 6,938,836,688</b>	<b>\$ 20,922,448</b>	<b>\$ 6,959,759,136</b>

See Independent Auditors' Report and Notes to Financial Statements

**NEW MEXICO DEPARTMENT OF TRANSPORTATION**  
**Statement of Activities**

For the Year Ended June 30, 2014

	Governmental Activities	Business-type Activities (State Infrastructure Bank)	Total
<b>Program Expenses:</b>			
Programs and infrastructure	\$ 793,966,118	\$ -	\$ 793,966,118
Transportation and highway operations	293,555,999	-	293,555,999
Program support	50,942,000	-	50,942,000
<b>Total Program Expenses</b>	<u>1,138,464,117</u>	<u>-</u>	<u>1,138,464,117</u>
<b>Program Revenues:</b>			
Charges for services	82,963,659	-	82,963,659
Operating grants	26,251,817	-	26,251,817
Capital grants	369,138,852	-	369,138,852
<b>Total Program Revenues</b>	<u>478,354,328</u>	<u>-</u>	<u>478,354,328</u>
<b>Net Program Revenue (Expense)</b>	<u>(660,109,789)</u>	<u>-</u>	<u>(660,109,789)</u>
<b>General Revenues (Losses):</b>			
User and fuel taxes	396,375,801	-	396,375,801
Interest income	2,143,879	14,915	2,158,794
Gain (loss) on disposal of assets and adjustments	(199,839)	-	(199,839)
<b>Total General Revenues (Losses)</b>	<u>398,319,841</u>	<u>14,915</u>	<u>398,334,756</u>
<b>Transfers:</b>			
Reversions to state general fund (Note 16)	(98,813)	-	(98,813)
Transfers from: severance tax bond appropriation (Note 4)	17,602,500	-	17,602,500
Transfers from (to) other state agencies and local governments, net (Note 11)	(5,789,831)	-	(5,789,831)
<b>Total Transfers</b>	<u>11,713,856</u>	<u>-</u>	<u>11,713,856</u>
<b>Net General Revenues and Transfers</b>	<u>410,033,697</u>	<u>14,915</u>	<u>410,048,612</u>
<b>Change in Net Position/Operating Income</b>	<u>(250,076,092)</u>	<u>14,915</u>	<u>(250,061,177)</u>
<b>Net Position, Beginning of Fiscal Year</b>	<u>5,382,974,649</u>	<u>20,727,533</u>	<u>5,403,702,182</u>
<b>Net Position, End of Fiscal Year</b>	<u>\$ 5,132,898,557</u>	<u>\$ 20,742,448</u>	<u>\$ 5,153,641,005</u>

See Independent Auditors' Report and Notes to Financial Statements

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**NEW MEXICO DEPARTMENT OF TRANSPORTATION**  
**Balance Sheet - Governmental Funds**

As of June 30, 2014

	<u>Major Funds</u>		<u>Non Major Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>State Road Fund(s) (SHARE 10040 and 20100)</u>	<u>2014A Bond Project Fund (SHARE 11970)</u>		
<b>Assets:</b>				
Cash: (Note 2)				
Unrestricted	\$ 2,100	\$ -	\$ -	\$ 2,100
Cash Equivalents: (investment in state general fund investment pool) (Note 2)				
Restricted	121,762,395	-	96,452,570	218,214,965
Managed by NMFA	65,032	80,001,750	37,935,267	118,002,049
Receivables:				
Accounts receivable, net (Note 3)	1,596,154	-	5,006,450	6,602,604
Interest receivable	-	648	970	1,618
Other receivables	18,646	-	-	18,646
Due from:				
U.S. Department of Transportation (Note 6)	39,833,098	-	8,274,342	48,107,440
Other funds (Note 7)	7,955,572	-	7,740,885	15,696,457
Other state agencies (Note 8)	63,407,737	-	11,351,736	74,759,473
Inventories (Note 9)	14,726,136	-	-	14,726,136
Prepaid expenses - other	4,925	-	-	4,925
Prepaid expense - NM44 warranty	20,126,045	-	-	20,126,045
Property held for resale	9,007,214	-	-	9,007,214
<b>Total Assets</b>	<b><u>\$ 278,505,054</u></b>	<b><u>\$ 80,002,398</u></b>	<b><u>\$ 166,762,220</u></b>	<b><u>\$ 525,269,672</u></b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 78,778,393	\$ -	\$ 25,026,609	\$ 103,805,002
Due to:				
Other funds	3,071,595	-	12,624,862	15,696,457
Other state agencies	11,344,160	-	4,157,578	15,501,738
State general fund	101,301	-	102,233	203,534
Local governments	68,084	-	-	68,084
Other accrued expenses	2,944,063	-	56,291	3,000,354
Other liabilities	1,095,280	-	-	1,095,280
<b>Total Liabilities</b>	<b><u>97,402,876</u></b>	<b><u>-</u></b>	<b><u>41,967,573</u></b>	<b><u>139,370,449</u></b>
<b>Deferred Inflows of Resources:</b>				
Amounts unavailable (not received within period of availability)	4,689,291	-	3,344,499	8,033,790
<b>Total Deferred Inflows of Resources:</b>	<b><u>4,689,291</u></b>	<b><u>-</u></b>	<b><u>3,344,499</u></b>	<b><u>8,033,790</u></b>
<b>Fund Balance:</b>				
Non-spendable	43,864,320	-	-	43,864,320
Restricted	-	80,002,398	61,249,175	141,251,573
Committed	144,179,662	-	60,685,593	204,865,255
Assigned	-	-	-	-
Unassigned	(11,631,095)	-	(484,620)	(12,115,715)
<b>Total Fund Balance</b>	<b><u>176,412,887</u></b>	<b><u>80,002,398</u></b>	<b><u>121,450,148</u></b>	<b><u>377,865,433</u></b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b><u>\$ 278,505,054</u></b>	<b><u>\$ 80,002,398</u></b>	<b><u>\$ 166,762,220</u></b>	<b><u>\$ 525,269,672</u></b>

See Independent Auditors' Report and Notes to Financial Statements

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

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As of June 30, 2014

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

\$ 377,865,433

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

Amounts recorded as deferred inflows of resources 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	8,033,790	
Statement of Net Position	-	
Balance in deferred inflows of resources		8,033,790

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

The cost of capital assets is	15,767,159,694	
Accumulated depreciation is	(9,472,847,689)	
Total capital assets		6,294,312,005

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

Debentures payable (bonds only)		(1,443,290,000)
Deferred loss on refunding (net of current period amortization)		78,273,770
Compensated absences		(5,960,118)
Ineffective swaps		(39,364,624)

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

(136,971,699)

**Net Position of Governmental Activities (Statement of Net Position)**

\$ 5,132,898,557

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

For the Year Ended June 30, 2014

	Major Funds		Non Major Governmental Funds	Total Governmental Funds
	State Road Fund(s) (SHARE 10040 and 20100)	2014A Bond Project Fund (SHARE 11970)		
<b>Revenues:</b>				
User and fuel taxes	\$ 365,802,345	\$ -	\$ 25,752,443	\$ 391,554,788
U.S. Department of Transportation	372,869,099	-	26,251,817	399,120,916
Fees and fines	-	-	68,882	68,882
Licenses and permits	7,040,346	-	11,977,164	19,017,510
Charges for services	2,768,245	-	-	2,768,245
Other revenue	10,570,949	-	50,538,077	61,109,026
Interest earnings	80,924	2,398	2,060,557	2,143,879
<b>Total Revenues</b>	<b>759,131,908</b>	<b>2,398</b>	<b>116,648,940</b>	<b>875,783,246</b>
<b>Expenditures:</b>				
Current:				
Operating costs	10,886,437	-	41,217	10,927,654
Personal services	94,641,551	-	1,175,285	95,816,836
Out-of-state travel	109,972	-	7,179	117,151
Grants and services	2,376,164	-	50,010,775	52,386,939
Travel	20,703,893	-	4,876	20,708,769
Maintenance and repairs	9,900,307	-	10,253	9,910,560
Supplies	38,747,913	-	57,459	38,805,372
Contractual services	120,426,876	-	33,394,195	153,821,071
Other costs	4,261,748	-	1,055,939	5,317,687
Employee benefits	47,504,223	-	420,401	47,924,624
Capital outlay	298,692,981	-	31,082,037	329,775,018
Debt service:				
Principal	71,800,700	-	34,809,300	106,610,000
Interest	66,667,466	-	4,385,103	71,052,569
Debt issuance costs	-	-	221,111	221,111
<b>Total Expenditures</b>	<b>786,720,231</b>	<b>-</b>	<b>156,675,130</b>	<b>943,395,361</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(27,588,323)</b>	<b>2,398</b>	<b>(40,026,190)</b>	<b>(67,612,115)</b>
<b>Other Financing Sources (Uses):</b>				
Appropriations, net of reversions (Note 16)	-	-	(98,813)	(98,813)
Transfers: severance tax bond appropriation	-	-	17,602,500	17,602,500
Transfers from (to) other agencies (Note 11)	(5,839,953)	-	50,122	(5,789,831)
Transfers: intra-agency (Note 11)	(6,055,078)	-	6,055,078	-
Face value of debentures payable (Note 11)	-	70,110,000	-	70,110,000
Premiums of debentures payable (Note 11)	-	9,890,000	642,347	10,532,347
<b>Total Other Financing Sources (Uses)</b>	<b>(11,895,031)</b>	<b>80,000,000</b>	<b>24,251,234</b>	<b>92,356,203</b>
<b>Net Changes in Fund Balance</b>	<b>(39,483,354)</b>	<b>80,002,398</b>	<b>(15,774,956)</b>	<b>24,744,088</b>
<b>Fund Balance, June 30, 2013</b>	<b>215,896,241</b>	<b>-</b>	<b>137,225,104</b>	<b>353,121,345</b>
<b>Fund Balance, June 30, 2014</b>	<b>\$ 176,412,887</b>	<b>\$ 80,002,398</b>	<b>\$ 121,450,148</b>	<b>\$ 377,865,433</b>

See Independent Auditors' Report and Notes to Financial Statements

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

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

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For the Year Ended June 30, 2014

**Net Changes in Fund Balance - Total Governmental Funds**

**(Statement of Revenues, Expenditures, and Changes in Fund Balance)** \$ 24,744,088

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

Net change in deferred inflows of resources related to unavailable revenue from prior to current year 1,090,767

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: (75,877)

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	329,775,018	
Depreciation expense	(638,718,906)	
Sale of capital assets, adjustments and retirements, net book value	(199,838)	
Excess of depreciation expense over capital outlay		(309,143,726)

(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 Position:

Bond proceeds	(70,110,000)	
Principal payments	106,610,000	
		36,500,000

Change in value of Ineffective swaps recorded in Statement of Activities 566,537

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 deferred outflow of resources in the Statement of Net Position: (7,377,654)

**See Independent Auditors' Report and Notes to Financial Statements**

**NEW MEXICO DEPARTMENT OF TRANSPORTATION**  
**Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance - 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 \$136,971,699 in the Statement of Net Position, net of \$14,152,120 of amortization, recorded as a decrease to interest expense in the Statement of Net Position:

Amortization of bond premium	14,152,120	
Premium of new bonds issued	<u>(10,532,347)</u>	
		<u>3,619,773</u>

**Change in Net Position of Governmental Activities (Statement of Activities)** \$ (250,076,092)

**NEW MEXICO DEPARTMENT OF TRANSPORTATION**  
**Statement of Net Position-Proprietary Fund**

As of June 30, 2014

State Infrastructure Bank

(SHARE 89300)

**Assets:**

**Current Assets:**

Cash: (Note 2)

    Unrestricted

\$ -

    Restricted

-

Cash equivalents: (Note 2)

(Investment in state general fund investment pool)

    Unrestricted

-

    Restricted

20,740,869

Receivables:

    Interest receivable

-

    Notes and loans receivable (Note 5)

180,000

Due from:

    Other state agencies (Note 8)

1,579

**Total Current Assets**

20,922,448

**Total Assets**

\$ 20,922,448

**Liabilities and Net Position:**

**Liabilities:**

**Current Liabilities:**

Accounts payable

\$ -

Due to:

    Other state agencies

-

    Local governments

180,000

**Total Current Liabilities**

180,000

**Total Liabilities**

180,000

**Net Position:**

Restricted for:

    Loans

20,742,448

**Total Net Position**

20,742,448

**Total Liabilities and Net Position**

\$ 20,922,448

See Independent Auditors' Report and Notes to Financial Statements

**NEW MEXICO DEPARTMENT OF TRANSPORTATION**  
**Statement of Activities-Proprietary Fund**

For the Year Ended June 30, 2014

State Infrastructure Bank

(SHARE 89300)

<b>Operating Revenues (Expenses):</b>		
Interest income	\$	-
<b>Total Operating Revenues (Expenses)</b>		-
<b>Non-Operating Revenues (Expenses):</b>		
Interest income		14,915
Interest expense		-
<b>Total Non-Operating Revenues (Expenses)</b>		14,915
<b>Change in Net Position/Operating Income</b>		14,915
<b>Net Position, Beginning of Fiscal Year</b>		20,727,533
<b>Net Position, End of Fiscal Year</b>	\$	20,742,448

See Independent Auditors' Report and Notes to Financial Statements



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

For the Year Ended June 30, 2014

**State Infrastructure Bank**

(SHARE 89300)

**Cash flows provided from operating activities:**

Cash received from interest	\$ 15,464	
Cash payments for intra-agency payables	(212,264)	
		\$ (196,800)

**Net increase in cash and cash equivalents** (196,800)

**Cash and cash equivalents at June 30, 2013** 20,937,669

**Cash and cash equivalents at June 30, 2014** \$ 20,740,869

**Reconciliation of operating income to net cash provided from operating activities:**

Operating income		\$ 14,915
------------------	--	-----------

**Adjustment to reconcile operating income to net cash by operating activities:**

Increase in notes and loans receivable	\$ (180,000)	
Decrease in due from other agency	549	
Decrease in due to other funds	(212,264)	
Increase in due to local governments	180,000	-
<b>Total adjustments</b>		<b>(211,715)</b>

**Cash flows provided by operating activities:** \$ (196,800)

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

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**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, 2014

	STATE ROAD FUND(S) (SHARE 10040 and 20100)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues:</b>				
Federal funds	\$ 375,571,700	\$ 444,571,700	\$ 372,869,099	\$ (71,702,601)
Other state funds	384,500,000	384,500,000	386,181,885	1,681,885
Interest revenue	192,000	192,000	80,924	(111,076)
<b>Total Revenues:</b>	<u>760,263,700</u>	<u>833,006,658</u>	<u>759,131,908</u>	<u>\$ (73,874,750)</u>
<b>Prior Year Funds Rebudgeted</b>	309,673,909	343,601,928		
	<u>\$ 1,069,937,609</u>	<u>\$ 1,176,608,586</u>		
<b>Expenditures - current and capital outlay:</b>				
Programs and Infrastructure				
Personal services/employee benefits	\$ 23,877,300	\$ 23,389,800	\$ 22,511,802	\$ 877,998
Contractual services	584,405,645	668,905,645	323,489,533	345,416,112
Other	158,060,891	158,060,891	143,722,744	14,338,147
Transfers (in) out	-	1,290,446	3,959,812	(2,669,366)
Reversions	-	-	-	-
	<u>766,343,836</u>	<u>851,646,782</u>	<u>493,683,891</u>	<u>357,962,891</u>
Transportation and Highway Ops:				
Personal services/employee benefits	95,524,400	96,625,897	96,634,298	(8,401)
Contractual services	74,851,404	87,041,734	72,592,116	14,449,618
Other	84,611,969	93,302,170	90,003,109	3,299,061
	<u>254,987,773</u>	<u>276,969,801</u>	<u>259,229,523</u>	<u>17,740,278</u>
Program Support				
Personal services/employee benefits	23,793,000	23,179,003	22,999,674	179,329
Contractual services	5,115,400	5,115,400	2,577,351	2,538,049
Other	13,853,300	13,853,300	12,189,605	1,663,695
Transfers (in) out	5,844,300	5,844,300	7,935,218	(2,090,918)
	<u>48,606,000</u>	<u>47,992,003</u>	<u>45,701,848</u>	<u>2,290,155</u>
<b>Total Annual Budgeted Expenditures</b>	<u>\$ 1,069,937,609</u>	<u>\$ 1,176,608,586</u>	<u>798,615,262</u>	<u>\$ 377,993,324</u>
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
<b>Expenditures and Other Financing Sources and Uses</b>			<u>\$ (39,483,354)</u>	

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

See Independent Auditors' Report 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, 2014

	2014A BOND PROJECT FUND (SHARE 11970)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues/Other Financing Sources:</b>				
Other state funds	\$ -	\$ -	-	-
Interest revenue	-	-	2,398	2,398
Bond proceeds	-	80,000,000	80,000,000	-
<b>Total Revenues:</b>	-	80,000,000	80,002,398	\$ 2,398
<b>Prior Year Funds Rebudgeted</b>	-	-		
	\$ -	\$ 80,000,000		
 <b>Expenditures - current and capital outlay:</b>				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	80,000,000	-	80,000,000
Other	-	-	-	-
Transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	-	80,000,000	-	80,000,000
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
<b>Total Annual Budgeted Expenditures</b>	\$ -	\$ 80,000,000	-	\$ 80,000,000
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
Expenditures and Other Financing Sources and Uses			\$ 80,002,398	

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

See Independent Auditors' Report and Notes to Financial Statements

**NOTES TO FINANCIAL STATEMENTS**

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## 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 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. The Department has no blended or discretely presented component units during the year ended June 30, 2014.

## 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 position 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 (Note 10).

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

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.



**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**Basis of Presentation - continued**

*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 and 20100). 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 Schedule of General Fund Components - Balance Sheet, and Statement of Revenues, Expenditures and Changes in Fund Balance.

2014A Bond Project Fund (Fund #11970). The bond project fund was created when the \$70,110,000 NMFA State Transportation Subordinate Lien Revenue Bonds Series 2014A were issued in March 2014. 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 and pay expenses incurred to issue the debentures. The fund does not receive state general fund appropriations that are subject to reversions.

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.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

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

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, 2014, 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.

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 unearned revenues.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

The following are the governmental fund types used:

**General Funds** - The General Funds (Funds #10040 and 20100) 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.

Traffic Safety Fund(s): a group and/or cluster of programs that are closely related programs and share common compliance requirements. The group consists of the following funds; the Federal Traffic Safety Fund (#10010), the Driver Improvement Program Fund (#10020), Motorcycle Training Fund (#20600), the DWI Prevention and Education Fund (#20700), the Traffic Safety Fund (#20800), and the Ignition Interlock Fund (#82600).

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 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.

Motorcycle Training 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 (#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.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

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

*Special Revenue Funds – continued*

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.

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.

Federal Planning and Development 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.

HIF Bond 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.

Local Government Road 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.

State Aviation 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.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

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

*Special Revenue Funds – continued*

1993 Bond Project 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 (#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.

WIPP Bond Project 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. The WIPP funds were completely exhausted at the end of FY 2013. The fund has no balances in FY14 and will be closed in FY15.

2001A CHAT Bond Project 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.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

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

*Special Revenue Funds – continued*

2002C HIF Bond Project 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.

2002D CHAT Bond Project 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 (#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 (#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 (#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.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

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

*Special Revenue Funds – continued*

2006C GRIP Bond Project 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.

2006D GRIP Bond Project 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.

2010A Bond Project 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.

ARRA Project 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. This fund was closed in 2014 by the Department and is pending closure at the state level therefore not reflected in the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

**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 (#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.

Severance Tax Bond Appropriations 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. Fund 10060 is being phased out to Fund 89200.

STB Capital Outlay 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.

General Fund Appropriations 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. The existing fund 10070 is being phased out to fund 93100.



**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

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

*Capital Project Funds - continued*

GF Capital Outlay 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.

**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 (#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 (#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 (#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 (#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 (#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 (#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.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

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

*Debt Service Funds - continued*

2002B WIPP Bond Debt Service 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.

2002C HIF Bond Debt Service 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 (#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 (#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 (#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 (#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 (#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 (#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 (#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 (#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 (#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 (#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 (#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.

2012A Bond Debt Service Fund (#30850). The fund was created when the \$220,400,000 NMFA State Transportation Refunding Revenue Bonds Series 2012 were issued in December of 2012 to refund certain outstanding bonds of the State Transportation Commission and of the Finance Authority which were issued for the purpose of financing or refinancing projects administered by the New Mexico Department of Transportation.

2014A Bond Debt Service Fund (#11960). The fund was created when the \$70,110,000 NMFA State Transportation Subordinate Lien Revenue Bonds Series 2014A were issued in March 2014.

*Enterprise Fund*

State Infrastructure Bank (SIB) Fund (#89300). This fund is used to track the activities of the State Infrastructure Bank, which include funding, loans, and repayment of loans. The State Infrastructure Bank is a revolving loan fund program authorized by the NHS Act of 1997 and was originally funded with Federal Highway funds and a 25% State match.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

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

**Budgets and Budgetary Accounting**

Per the General Appropriations Act of 2013, Section 3M, "For the purpose of administering the General Appropriation Act of 2013, 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 compliance is at the appropriation program 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.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**Taxes Receivable (Included as a component of Due From Other State Agencies)**

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.

**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 FY14 was \$4,650,124 and a net total of \$485,808 was moved to the uncollectible account during the current fiscal year. A total of \$433,829 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).

*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, 2014. 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**

**Notes and Loans Receivable**

**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 2014.

**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 accrual 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.

**Due to Local Entities**

The amount due back to the locals for unearned revenue for cooperative agreement and State Infrastructure loan.

**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 nonspendable fund balance, which indicates that it does not constitute “available spendable resources” (Note 9) even though they are a component of current assets.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**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 the fiscal year 2014 the unamortized value was \$18,050,000. The structures, which originally cost \$15,916,345 is being amortized over 11 1/2 years. At the end of the fiscal year 2014 the unamortized value was \$2,076,045. 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. Total prepaid expense at June 30, 2014 was \$20,126,045.

**Property Held for Resale**

Property held for resale represents excess land acquired through condemnation and is recorded at the lower of its cost, or estimated fair value. Reported property held for resale is equally offset by the non-spendable fund balance designation, 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.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**Capital Assets - continued**

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.

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

**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 position 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 position 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, 2013, and includes direct and incremental salary related payments, such as the employees' share of social security taxes.



**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**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 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 recognized as an expense in the period incurred.

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 Position**

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

*Net Investment in Capital Assets* - is intended to reflect the portion of net position which 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 position that do not meet the definition of "restricted assets" or "net investment in capital assets".

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**Encumbrances**

With the General Appropriations Act of 2013, Section 3M 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 06/30/14 for other multiple year appropriation periods are as follows:

STB Capital Outlay Fund	89200	\$	16,675,075
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**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.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**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.

**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 \$1.44 billion in State Transportation Revenue and Refunding Bonds issued between 2004 and 2014. 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 2032. Annual principal and interest payments on the bonds are expected to require less than 25% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$1.96 billion. Principal and interest paid for the current year and total pledged revenues were \$177,662,569 and \$757,912,440, 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.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position and or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditure) until then. The Department has two items that qualify for reporting in this category. They are the deferred loss on refunding and the fair value of the SWAP agreements deemed effective per GASB 53.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then.

The Department reports Deferred Inflows of Resources in the fund financial statements. Deferred Inflows of Resources arise when potential revenue does not meet both the "measureable" and "available" criteria for recognition in the current period (fund financial statements). Deferred Inflows of Resources also arise when resources are unearned by the Department and received before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures (fund financial statements and government-wide financial statements). In subsequent periods, when both revenue recognition criteria are met, or when the Department has a legal claim to the resources, the liability for Deferred Inflows of Resources is removed from the applicable financial statement and revenue is recognized.

## 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**

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

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

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

The Remediation Project objective was to design and implement changes necessary to ensure ongoing completion of timely, accurate and comprehensive reconciliation of the Pool. DFA has or is in the process of implementing all the recommendations resulting for the Remediation Project and has made changes to the State's SHARE system configuration, cash accounting policies and procedures, business practices, and banking structure. This has enabled DFA to complete timely and accurate reconciliation of bank to book balances at the State and Business Unit level on a post-implementation basis, however it did not resolve historical reconciling items. Additional changes recommended by the Project continue to be cascaded through DFA and state agencies to support the Business Unit by Fund accounting requirements.

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, 2014. The Department is confident that our reconciliation process ensures all incoming and outgoing cash transactions are properly identified and that they are timely and accurately recorded in the financial system. Recording is not final until approved by the State Treasurer's Office who compares the recorded transactions against validated bank deposit slips provided to them by the State's Fiscal Agent Bank. Our agency then compares all deposits to financial system cash transaction and general ledger reports to ensure they have been properly and thoroughly recorded.

**2. CASH AND CASH EQUIVALENTS (continued)**

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

Similarly, incoming wire 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.

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

At June 30, 2014 the Department had the following invested in the General Fund Investment Pool:

General Fund Investment Pool	<u>\$ 238,955,834</u>
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**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, 2014.

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

**2. CASH AND CASH EQUIVALENTS (continued)**

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

The reconciled balances at June 30, 2014, are as follows:

	Fund Number	Amount (+)	Amount (-)
<b>Cash:</b>			
<i>Unrestricted</i>	20100	\$ 2,100	
<b>Balance Sheet - Governmental Funds Cash, Unrestricted and Statement of net position Cash, Unrestricted</b>		<u>\$ 2,100</u>	

	Fund Number	Amount (+)	Amount (-)
<b>Cash Equivalents:</b>			
<i>Restricted:</i>			
2001A CHAT Bond Project Fund	00600	\$ 4,737,841	\$ -
2001A CHAT Bond Debt Service Fund	00700	234,752	
Traffic Safety Fund(s)	10010, 10020, 20600, 20700, 20800, 82600	9,783,431	
Federal Planning and Development	10030	-	652,390
State Road Fund(s)	10040, 10140, 20100, 82000	121,762,395	11,341,624
Capital Projects Fund	10050	22,847,198	
STB Appropriations Fund	10060	-	2,091,146
General Fund Appropriations	10070	466,257	
2006A GRIP Bond Project Fund	10210	324,974	
2006B GRIP Bond Project Fund	10230	49,671	
2010A Bond Project Fund	10450	-	1,196,171
2002D CHAT Bond Project Fund	11500	639,723	
2002D CHAT Bond Debt Service Fund	18700	12,862	
HIF Bond Fund	20200	10,075,346	
Local Government Road Fund	20300	22,250,610	
2004A GRIP Bond Project Fund	20400	112,078	
State Aviation Fund	20500	17,007,619	
2002C HIF Bond Project Fund	36100	1,309,468	
2002C HIF Bond Debt Service Fund	36300	62,499	
1993 Bond Project Fund	39400	1,601,278	

**2. CASH AND CASH EQUIVALENTS (continued)**

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

1999A CHAT Bond Project Fund	43000	2,126,588	
WIPP Bond Project Fund	43100	1,887,265	
2000 CHAT Bond Debt Service Fund	43200	204,933	
1999 CHAT Bond Debt Service Fund	43400	267,318	
2002A CHAT Bond Debt Service Fund	54700	83,920	
1998A CHAT Bond Debt Service Fund	54800	142,176	
2002B WIPP Bond Debt Service Fund	75000	111,379	
STB Capital Outlay Fund	89200	-	196,819
GF Capital Outlay	93100	98,814	
1998A WIPP Bond Debt Service Fund	97200	14,570	
<b>Balance Sheet - Governmental Funds Cash Equivalents, Restricted</b>		<u>218,214,965</u>	
<b>State Infrastructure Bank:</b>			
Restricted Cash Equivalents	89300	20,740,869	
<b>Statement of net position Cash Equivalents, Restricted</b>		<u>\$ 238,955,834</u>	
<b>Balance Sheet-Governmental Funds and Statement of net position included in Due to Other Agencies (See Note 12)</b>			<u>\$ 15,478,150</u>

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, 2014.

**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.



**2. CASH AND CASH EQUIVALENTS (continued)**

**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.

**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
<b>Cash Equivalents:</b>		
<i>Managed by NMFA:</i>		
State Road Fund(s)	10040 and 20100	\$ 65,032
2004A GRIP Bond Debt Service Fund	10080	511,801
2004B GRIP Bond Debt Service Fund	10090	3,247,843
2006A GRIP Bond Project Fund	10210	162,283
2006A GRIP Bond Debt Service Fund	10220	34,335
2006B GRIP Bond Project Fund	10230	10,386
2006B GRIP Bond Debt Service Fund	10240	6,957
2006C GRIP Bond Project Fund	10250	179,148
2008A GRIP Bond Debt Service Fund	10410	5,011,289
2008B GRIP Bond Debt Service Fund	10420	6,804,596
2008C GRIP Bond Debt Service Fund	10430	1,735,646
2008D GRIP Bond Debt Service Fund	10440	1,782,221
2010A Bond Project Fund	10450	17,780,385
2009A Bond Debt Service Fund	11130	50,116
2010A/LOC Bond Debt Service Fund	11140	177,102
2014A Bond Debt Service Fund	11960	171,368
2014A Bond Project Fund	11970	80,001,750
2010B GRIP Bond Debt Service Fund	20450	204,070
2012A Bond Debt Service Fund	30850	65,721

**Balance Sheet - Governmental Funds and Statement  
of net position Cash Equivalents, Managed by NMFA**

\$ 118,002,049

**3. ACCOUNTS RECEIVABLE**

The aging of accounts receivable as of June 30, 2014 is as follows:

<u>Number of Days Outstanding</u>		
0 - 30	\$	174,280
31 - 60		128,952
61 - 120		1,102,161
Beyond 120		9,847,335
		<u>11,252,728</u>
Allowance for uncollectible accounts		<u>(4,650,124)</u>
	\$	<u><u>6,602,604</u></u>

**4. SEVERANCE TAX BOND PROCEEDS RECEIVABLE**

Severance tax bonds proceeds receivable as of June 30, 2014, 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	\$	45,049,690
Sale and reauthorization of severance tax bonds		25,206,457
Funding from the State Board of Finance		(13,769,709)
Reversion to the State Board of Finance		<u>(1,824,038)</u>
<b>Balance, end of year</b>	<b>\$</b>	<b><u><u>54,662,400</u></u></b>

The funding for the year ended June 30, 2014 was received under the Laws of 2007, Chapter 3; Laws of 2008, Chapter 9; Laws of 2009, Chapter 7; Laws of 2010, Chapter 105; Laws of 2011, Chapter 183; and Laws of 2012, Chapters 63 and 64 for projects completed ; Laws of 2013, Chapters 92 and 226.

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>5,412,590</u></u>
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**5. NOTES AND LOANS RECEIVABLE**

Loans receivable funded by the SIB consist of the following:

A three (3) year State Infrastructure Bank note receivable from Silver City at 1% interest secured by water and sewer funds.

\$ 180,000

**6. DUE FROM U.S. DEPARTMENT OF TRANSPORTATION**

Due from U.S. Department of Transportation (USDOT) consists of the following at June 30, 2014:

Agency

Federal Highway Administration	\$ 39,833,098
Less allowance for uncollectible amounts	<u>-</u>
Total Federal Highway Administration	39,833,098
Other USDOT Agencies	<u>8,274,342</u>
Total USDOT	<u>\$ 48,107,440</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) One Fund pays expenditures on behalf of other funds.
- 2) One Fund receives revenue on behalf of other funds.

Interfund receivables and payables as of June 30, 2014 consist of the following:

	Fund Number	Due From Other Funds	Due to Other Funds	Net (Sub-totals only)
<b>General Funds:</b>				
State Road Fund(s)	10040 and 20100	\$ 7,955,572	\$ 3,071,595	\$ 4,883,977
<b>Total General Funds</b>		<u>7,955,572</u>	<u>3,071,595</u>	<u>4,883,977</u>
<b>Special Revenue Funds:</b>				
Traffic Safety Fund(s)	10010, 10020, 20600, 20700, 20800, 82600	\$ 45,377	\$ 150,609	
Federal Planning and Development	10030	-	1,100	
HIF Bond Fund	20200	1	-	
WIPP Bond Project Fund	43100	-	1,887,265	
<b>Total Special Revenue Funds</b>		<u>45,378</u>	<u>2,038,974</u>	<u>(1,993,596)</u>
<b>Debt Service Funds:</b>				
2001A CHAT Bond Debt Service Fun	00700	1,651,520	-	
2006B GRIP Bond Debt Service Func	10240	-	2,045	
2008AGRIP Bond Debt Service Fund	10410	2,045	1,371,193	
2008B GRIP Bond Debt Service Func	10420	250	6,409,295	
2008C GRIP Bond Debt Service Func	10430	-	1,009,166	
2008D GRIP Bond Debt Service Func	10440	-	1,267,688	
2010A Bond Debt Service Fund	11140	-	133,843	
2014A Bond Debt Service Fund	11960	-	1	
2012A Bond Debt Service Fund	30850	-	611	
2000 CHAT Bond Debt Service Fund	43200	1,184,452	-	
1999 CHAT Bond Debt Service Fund	43400	750,144	-	
2002A CHAT Bond Debt Service Fun	54700	690,434	-	
1998A CHAT Bond Debt Service Fun	54800	86,180	-	
2002B WIPP Bond Debt Service Func	75000	702,644	-	
1998 WIPP Bond Debt Service Fund	97200	199,253	-	
<b>Total Debt Service Funds</b>		<u>5,266,922</u>	<u>10,193,842</u>	<u>(4,926,920)</u>
<b>Capital Projects Funds:</b>				
STB Appropriations Fund	10060	2,428,585	1,455	
STB Capital Outlay Fund	89200	-	390,591	
<b>Total Capital Projects Funds</b>		<u>2,428,585</u>	<u>392,046</u>	<u>2,036,539</u>

**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)
<b>Enterprise Funds:</b>				
<b>Total Enterprise Funds</b>		-	-	-
<b>Total Interfund Receivables and Payables</b>		\$ 15,696,457	\$ 15,696,457	\$ -
<b>Summary</b>				
Total General Fund(s) - net				\$ 4,883,977
Total Special Revenue Funds - net				(1,993,596)
Total Debt Service Funds - net				(4,926,920)
Total Capital Projects Funds – net				2,036,539
Total Governmental – net				-
Total Enterprise Funds – net				-
Total All Funds				\$ -

**8. DUE FROM OTHER AGENCIES**

Fund Description	Fund Number	Sub-total	Total	Due From
State Road Fund	20100	\$ 4,348		Department of Public Safety
Total reversions due			4,348	
State Road Fund	20100	63,394,599		Taxation and Revenue Department
HIF Bond Fund	20200	1,160,398		Taxation and Revenue Department
Local Government Road Fund	20300	3,648,645		Taxation and Revenue Department
State Aviation Fund	20500	1,005,324		Taxation and Revenue Department
Motorcycle Training Fund	20600	16,080		Taxation and Revenue Department
DWI Prevention and Education Fund	20700	44,030		Taxation and Revenue Department
Traffic Safety Fund	20800	18,024		Taxation and Revenue Department
Ignition Interlock Fund	82600	42,000		Taxation and Revenue Department
Total taxes due			69,329,100	
2001A CHAT Bond Project Fund	00600	361		State Treasurer's Office
2001A CHAT Bond Debt Service Fund	00700	18		State Treasurer's Office
2002D CHAT Bond Project Fund	11500	49		State Treasurer's Office
2002D CHAT Bond Debt Service Fund	18700	1		State Treasurer's Office
State Road Fund	20100	8,249		State Treasurer's Office
HIF Bond Fund	20200	737		State Treasurer's Office
Local Government Road Fund	20300	1,675		State Treasurer's Office
State Aviation Fund	20500	1,299		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
Motorcycle Training Fund	20600	4		State Treasurer's Office
Traffic Safety Fund	20800	49		State Treasurer's Office
2002C HIF Bond Project Fund	36100	100		State Treasurer's Office
2002C HIF Bond Debt Service Fund	36300	5		State Treasurer's Office
1993 Bond Project Fund	39400	122		State Treasurer's Office
1999A CHAT Bond Project Fund	43000	162		State Treasurer's Office
2000 CHAT Bond Debt Service Fund	43200	16		State Treasurer's Office
1999 CHAT Bond Debt Service Fund	43400	20		State Treasurer's Office
2002A CHAT Bond Debt Service Fund	54700	6		State Treasurer's Office
1998A CHAT Bond Debt Service Fund	54800	11		State Treasurer's Office
2002B WIPP Bond Debt Service Fund	75000	8		State Treasurer's Office
1998A WIPP Bond Debt Service Fund	97200	1		State Treasurer's Office
Total accrued interest due			12,893	
STB Appropriations Fund	10060	511,456		DFA Board of Finance
STB Capital Outlay Fund	89200	4,901,134		DFA Board of Finance
Total reimbursement due			5,412,590	
State Road Fund	20100	27		Human Services Department
State Road Fund	20100	488		Department of Health
State Road Fund	20100	27		Higher Education Department
Total reimbursement due			542	
Total due from other agencies--government funds only			74,759,473	
SIB Interest accrued from Local Gov't Investment Pool			1,579	
Total due from other agencies--government wide only			<u>\$ 74,761,052</u>	

**9. INVENTORY**

Inventory as of June 30, 2014 consists of the following:

Highway maintenance materials stockpiled	\$ 8,351,701
Repair Parts and expendable supplies	5,473,392
Fuel, oil and lubricants	901,043
	<u>\$ 14,726,136</u>

**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, 2014 follows:

	Beginning Balance		Adjustments &	
	June 30, 2013	Additions	Transfers	Retirements
<b>Non-depreciable assets:</b>				
Construction in Progress	193,763,345	\$ 309,002,498	\$ -	\$ -
Rail System Infrastructure - Right of Way	77,252,100	-	-	-
Land	5,177,044	-	-	-
Right of Way	410,881,931	-	(22,464)	-
<b>Total non-depreciable assets</b>	<b>687,074,420</b>	<b>309,002,498</b>	<b>(22,464)</b>	<b>-</b>
<b>Depreciable assets:</b>				
Infrastructure	14,610,934,713	-	-	(500,585,387)
Automotive and Major Road Fund Equipment	202,599,261	18,081,927	97,038	(7,801,924)
Rail System Infrastructure	367,768,679	-	-	-
Buildings	48,367,059	494,683	(737,101)	(6,851)
Equipment and furniture	29,351,499	2,195,910	815,112	(571,992)
Library	102,614	-	-	-
<b>Total depreciable assets</b>	<b>15,259,123,825</b>	<b>20,772,520</b>	<b>175,049</b>	<b>(508,966,154)</b>
<b>Total Assets</b>	<b>15,946,198,245</b>	<b>329,775,018</b>	<b>152,585</b>	<b>(508,966,154)</b>
<b>Less Accumulated Depreciation:</b>				
Infrastructure	(9,068,236,026)	(610,908,662)	-	500,585,387
Automotive and Major Road Fund Equipment	(146,919,029)	(10,464,927)	10,590	7,599,593
Rail System Infrastructure	(76,190,674)	(14,710,748)	-	-
Buildings	(27,881,826)	(797,603)	-	1,616
Equipment and furniture	(23,412,345)	(1,836,966)	5,160	411,385
Library	(102,614)	-	-	-
<b>Total Accumulated Depreciation</b>	<b>(9,342,742,514)</b>	<b>(638,718,906)</b>	<b>15,750</b>	<b>508,597,981</b>
<b>Net Total</b>	<b>\$ 6,603,455,731</b>	<b>\$ (308,943,888)</b>	<b>\$ 168,335</b>	<b>\$ (368,173)</b>

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

**Depreciation:**

Programs and infrastructure	\$ 610,908,662
Transportation and highway operations	14,710,748
Program support	13,099,496
	<u>638,718,906</u>

**Amortization**

	3,189,030
<b>Total depreciation and amortization</b>	<u>\$ 641,907,936</u>

**10. CAPITAL ASSETS (continued)**

CIP Reclassifications	Ending Balance June 30, 2014
\$ (328,331,940)	\$ 174,433,903
-	77,252,100
-	5,177,044
9,014,418	419,873,885
<u>(319,317,522)</u>	<u>676,736,932</u>
319,317,522	14,429,666,848
-	212,976,302
-	367,768,679
-	48,117,790
-	31,790,529
-	102,614
<u>319,317,522</u>	<u>15,090,422,762</u>
-	15,767,159,694
-	(9,178,559,301)
-	(149,773,773)
-	(90,901,422)
-	(28,677,813)
-	(24,832,766)
-	(102,614)
-	<u>(9,472,847,689)</u>
<u>\$ -</u>	<u>\$ 6,294,312,005</u>



**11. OPERATING TRANSFERS**

**Transfers within the Agency:**

	State Road Fund(s) (Multi)	Federal Planning & Development Fund (SHARE 10030)	STB Appropriations Fund (SHARE 10060)	Motorcycle Training Fund (SHARE 20600)	STB Capital Outlay Fund (SHARE 89200)
(1)	\$ (2,098,794)	\$ -	\$ 2,098,794	\$ -	\$ -
(2)	(1,290,446)	1,290,446	-	-	-
(3)	-	-	120,200	-	(120,200)
(4)	3,529	-	-	(3,529)	-
(5)	(2,669,367)				
	<u>\$ (6,055,078)</u>	<u>\$ 1,290,446</u>	<u>\$ 2,218,994</u>	<u>\$ (3,529)</u>	<u>\$ (120,200)</u>

- (1) Transfer from State Road Fund to Severance Tax Bond Fund
- (2) Transfer from State Road Fund to Federal Planning and Development Fund
- (3) Transfer retainage from expiring Severance Tax Bond Fund to STB Capital Outlay Fund
- (4) Transfer excess money from the Motorcycle Training Fund to the State Road Fund per Section 6-10-10 NMSA 1978
- (5) Transfer from State Road Fund to the WIPP Bond Project Fund

NEW MEXICO DEPARTMENT OF TRANSPORTATION  
Notes to Financial Statements

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<b>WIPP Bond Project Fund (SHARE 43100)</b>	<b>Total all Intra-agency Transfers</b>
	<u>\$ -</u>
	-
	-
	-
	-
2,669,367	-
<u>\$ 2,669,367</u>	<u>\$ -</u>

**NEW MEXICO DEPARTMENT OF TRANSPORTATION**  
**Notes to Financial Statements**

**11. OPERATING TRANSFERS - continued**

**Transfers outside of Agency:**

	State Road Fund(s) (Multi)	2014A Bond Debt Service Fund (SHARE 11960)	2014A Bond Project Fund (SHARE 11970)	Ignition Interlock (SHARE 82600)	GF Capital Outlay (SHARE 93100)	Total all Inter-agency Transfers
(5)	\$ -	\$ -	\$ -	\$ 300,000	\$ -	\$ 300,000
(6)	-	-	70,110,000	-	-	70,110,000
(7)	-	642,347	9,890,000	-	-	10,532,347
(8)	-	(249,878)	-	-	-	(249,878)
(9)	(5,839,953)	-	-	-	-	(5,839,953)
(10)	-	-	-	-	(98,813)	(98,813)
	<u>\$ (5,839,953)</u>	<u>\$ 392,469</u>	<u>\$ 80,000,000</u>	<u>\$ 300,000</u>	<u>\$ (98,813)</u>	<u>\$ 74,753,703</u>

- (5) Annual Transfer in From Department of Finance
- (6) Receipt of Principal Amount of 2014A Bonds
- (7) Receipt of Premium on 2014A Bonds
- (8) Transfer of Cash for Cost of Issuance for 2014A Bonds
- (9) Transfers made to Department of Public Safety (less reversions)
- (10) Due to DFA - State General Fund for Unexpended Appropriations

<b>Governmental Funds - Reconciling Items (Bond Proceeds)</b>	<u>(80,642,347)</u>
<b>Net transfers to (from) other state agencies</b>	<u>\$ (5,888,644)</u>

**NEW MEXICO DEPARTMENT OF TRANSPORTATION**  
**Notes to Financial Statements**

**12. DUE TO OTHER AGENCIES**

Fund Description	Fund Number	Due To	Total
Traffic Safety Fund(s)	10010, 10020, 20600, 20700, 20800, 82600	Bernalillo County Metro Court	\$ 15,209
Federal Planning and Development	10030	Due to State Treasurer's Office	652,390
STB Appropriations Fund	10060	Due to State Treasurer's Office	2,091,146
		Board of Finance	5,843
2010A Bond Project Fund	10450	Due to State Treasurer's Office	1,196,171
State Road Fund(s)	10040 and 20100	Department of Finance	2,536
		Due to State Treasurer's Office	11,341,624
STB Capital Outlay Fund	89200	Due to State Treasurer's Office	196,819
<b>Total due to other agencies</b>			<u><u>\$ 15,501,738</u></u>
		Due to State Treasurer's Office	\$ 15,478,150
		Bernalillo County Metro Court	15,209
		Department of Finance	2,536
		Board of Finance	5,843
			<u><u>\$ 15,501,738</u></u>

**13. DUE TO LOCAL GOVERNMENTS**

Fund Description	Fund Number	Due To	Total
<b>General Funds:</b>			
State Road Fund(s)	10040 and 20100	City of Las Cruces	\$ 68,084
<b>Total General Fund</b>			<u>68,084</u>
<b>Enterprise Funds:</b>			
State Infrastructure Fund	89300	Silver City	180,000
<b>Total Enterprise Funds</b>			<u>180,000</u>
<b>Total Due to Local Governments</b>			<u><u>\$ 248,084</u></u>

**NEW MEXICO DEPARTMENT OF TRANSPORTATION**  
**Notes to Financial Statements**

**14. LONG-TERM OBLIGATIONS**

The following is a summary of changes in long-term obligations for the year ended June 30, 2014:

Governmental Activities	Balance at June 30, 2013	Increase	Decrease	Ending Balance June 30, 2014	Amounts due within one year
2004A GRIP Bonds	\$ 80,615,000	\$ -	\$ (19,360,000)	\$ 61,255,000	\$ 61,255,000
2004B GRIP Bonds	29,740,000	-	(29,740,000)	-	-
2006A GRIP Bonds	83,525,000	-	(255,000)	83,270,000	3,715,000
2006B GRIP Bonds	25,405,000	-	(1,320,000)	24,085,000	1,375,000
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	-
2009A Refunding Bonds	26,155,000	-	(11,075,000)	15,080,000	4,820,000
2010A Refunding Bonds	145,460,000	-	(38,225,000)	107,235,000	12,015,000
2010B Refunding Bonds	451,435,000	-	(6,635,000)	444,800,000	-
2012 Refunding Bonds	217,455,000	-	-	217,455,000	900,000
2014A Revenue Bonds	-	70,110,000	-	70,110,000	-
Debentures	1,479,790,000	70,110,000	(106,610,000)	1,443,290,000	84,080,000
Compensated absences payable	5,884,241	5,338,910	(5,263,033)	5,960,118	5,960,118
Total obligations	1,485,674,241	<u>\$ 75,448,910</u>	<u>\$ (111,873,033)</u>	1,449,250,118	<u>\$ 90,040,118</u>
Less current portion	(112,494,241)			(90,040,118)	
Net long-term obligations	<u>\$ 1,373,180,000</u>			<u>\$ 1,359,210,000</u>	
Unamortized bond premium	<u>\$ 140,591,472</u>	<u>\$ 10,532,347</u>	<u>\$ (14,152,120)</u>	<u>\$ 136,971,699</u>	<u>\$ 13,086,464</u>

As discussed in Note 1, Deferred amount on refunding is presented as a deferred outflow of resources on the financial statements and is not presented net of related debentures.

Governmental Activities	Balance at June 30, 2013	Increase	Decrease	Ending Balance June 30, 2014	Amounts due within one year
Deferred outflow of resources	\$ 85,651,424	-	(7,377,654)	\$ 78,273,770	7,377,654

**14. LONG-TERM OBLIGATIONS - continued**

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.

**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 3.80% 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.

In December 2012, \$167,695,000 was refunded by the 2012 Refunding Revenue Bonds.

The Department's future scheduled annual requirements to amortize the Bonds, including interest payments of \$3,215,888, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Series 2004A GRIP:			
2015	\$ 61,255,000	\$ 3,215,888	\$ 64,470,888
Total	<u>\$ 61,255,000</u>	<u>\$ 3,215,888</u>	<u>\$ 64,470,888</u>

**14. 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 \$254,297,187, 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.

On June 16, 2014, the Series 2004B GRIP Bonds were retired with the \$29,740,000 principal payment.

#### 14. 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 \$66,040,000 were considered defeased in substance as of June 30, 2014.

The cumulative deferred amount on the refundings of \$78,273,770, recorded, as a deferred outflow, 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. 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.



**14. 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 (Synthetic 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.

**14. LONG-TERM OBLIGATIONS - continued**

**Fair Value**

The estimated fair value of the swaps at June 30, 2014 was as follows:

<u>Counterparty</u>	<u>Notional Value</u>	<u>Fair Value *</u>
Goldman Sachs	\$ 50,000,000	\$ (9,841,156)
Deutsche	50,000,000	(9,841,156)
Royal Bank of Canada	100,000,000	(19,682,312)
JPMorgan Chase Bank	110,000,000	(28,338,849)
UBS AG	110,000,000	(28,338,849)
	<u>\$ 420,000,000</u>	<u>\$ (96,042,322)</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, 2014 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, 2014. Negative amounts indicate payments that would have been made by the Department to the counterparties.

The SWAPs Fair Value are disclosed as a liability for the year ended June 30, 2014 in the amount of \$96,042,322.

Management evaluated the effectiveness of the SWAP agreements and found Goldman Sachs, Deutsche and Royal Bank of Canada to be ineffective in the prior year. As a result, the change in Fair Value of the ineffective SWAPs are reported as income in the amount of \$566,537. The remaining effective SWAPs are deemed a hedge and reported as a deferred outflow of resources in the amount of \$56,677,698, which consists of the JP Morgan Chase Bank and UBS AG SWAP agreements.

**Associated Debt**

Variable Rate Debt*	<u>2014 Debt Service</u>						Effective Interest Rate
	Par Value	Principal	Fixed Interest	Net Variable Made (Received)	Total Net Interest Paid		
Series 2008A and C	\$ 200,000,000	\$ -	\$ 7,846,144	\$ 1,058,264	\$ 8,904,408	4.452%	
Series 2008B	220,000,000	-	11,127,404	97,776	11,225,180	5.102%	

\* The interest and swap payments for these bonds include the payments for the 2004 and 2006 Series bonds 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.

**14. 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, 2014, were:

	<u>Moody's</u>	<u>S&amp;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 \$2,710,000 as of 6/30/2014 at UBS. 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 were no outstanding amounts on the line of credit at the end of the fiscal year, with \$23,000,000 beginning balance, no amounts borrowed and \$23,000,000 repaid during the year.

**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.

**14. 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, to 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.

**14. 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.

In December 2012, \$66,040,000 was refunded by the 2012 Refunding Revenue Bonds.

The Department's future scheduled annual requirements to amortize the Bonds, including interest payments of \$44,251,395, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Series 2006A GRIP:			
2015	\$ 3,715,000	\$ 4,053,163	\$ 7,768,163
2016	3,535,000	3,871,913	7,406,913
2017	3,550,000	3,699,888	7,249,888
2018	3,570,000	3,527,275	7,097,275
2019	150,000	3,435,406	3,585,406
2020-2024	500,000	17,132,500	17,632,500
2025-2029	68,250,000	8,531,250	76,781,250
	<u>68,250,000</u>	<u>8,531,250</u>	<u>76,781,250</u>
Total	<u>\$ 83,270,000</u>	<u>\$ 44,251,395</u>	<u>\$ 127,521,395</u>

**14. 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 3.5% 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 \$8,535,826, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Series 2006B GRIP:			
2015	\$ 1,375,000	\$ 1,135,288	\$ 2,510,288
2016	1,435,000	1,073,744	2,508,744
2017	1,500,000	1,010,044	2,510,044
2018	1,565,000	942,875	2,507,875
2019	1,645,000	864,125	2,509,125
2020-2024	9,570,000	2,973,375	12,543,375
2025-2029	6,995,000	536,375	7,531,375
Total	<u>\$ 24,085,000</u>	<u>\$ 8,535,826</u>	<u>\$ 32,620,826</u>

**14. 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 in 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 \$44,918,286, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Series 2008A GRIP:			
2015	\$ -	\$ 5,051,968	\$ 5,051,968
2016	-	5,051,968	5,051,968
2017	-	4,549,301	4,549,301
2018	-	4,531,968	4,531,968
2019	-	4,531,968	4,531,968
2020-2024	<u>115,200,000</u>	<u>21,201,113</u>	<u>136,401,113</u>
Total	<u>\$ 115,200,000</u>	<u>\$ 44,918,286</u>	<u>\$ 160,118,286</u>

**14. 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 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 \$120,685,708, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Series 2008B GRIP:			
2015	\$ -	\$ 11,190,400	\$ 11,190,400
2016	-	11,190,400	11,190,400
2017	-	10,436,400	10,436,400
2018	-	10,410,400	10,410,400
2019	-	10,410,400	10,410,400
2020-2024	11,200,000	51,522,016	62,722,016
2025-2029	208,800,000	15,525,692	224,325,692
Total	<u>\$ 220,000,000</u>	<u>\$ 120,685,708</u>	<u>\$ 340,685,708</u>



**14. 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 \$33,407,308, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Series 2008C GRIP:			
2015	\$ -	3,887,232	\$ 3,887,232
2016	-	3,887,232	3,887,232
2017	-	3,354,405	3,354,405
2018	-	3,336,032	3,336,032
2019	-	3,336,032	3,336,032
2020-2024	<u>84,800,000</u>	<u>15,606,375</u>	<u>100,406,375</u>
Total	<u>\$ 84,800,000</u>	<u>\$ 33,407,308</u>	<u>\$ 118,207,308</u>

**14. 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 \$1,264,400, 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:			
2015	\$ 4,820,000	\$ 651,400	\$ 5,471,400
2016	5,195,000	410,400	5,605,400
2017	<u>5,065,000</u>	<u>202,600</u>	<u>5,267,600</u>
Total	<u>\$ 15,080,000</u>	<u>\$ 1,264,400</u>	<u>\$ 16,344,400</u>

**14. 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 2025.

The Department's future scheduled annual requirements to amortize the Bonds, including interest payments of \$25,012,525, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Series 2010A Refunding:			
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	8,770,000	3,060,625	11,830,625
2019	8,990,000	2,674,625	11,664,625
2020-2024	44,715,000	6,558,625	51,273,625
2025-2029	6,885,000	166,025	7,051,025
Total	<u>\$ 107,235,000</u>	<u>\$ 25,012,525</u>	<u>\$ 132,247,525</u>

**14. 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 \$119,698,700, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Series 2010B Refunding:			
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	78,075,000	18,361,250	96,436,250
2019	82,385,000	14,457,500	96,842,500
2020-2024	<u>214,765,000</u>	<u>21,395,500</u>	<u>236,160,500</u>
Total	<u>\$ 444,800,000</u>	<u>\$ 119,698,700</u>	<u>\$ 564,498,700</u>

**14. LONG-TERM OBLIGATIONS - continued**

**2012A Revenue and Refundings**

The Department issued \$220,400,000 NMFA State Transportation Refunding Revenue Bonds (Senior Lien) Series 2012 in December 2012. The gross proceeds to the Department were \$261,769,370 including an original issuance premium of \$42,693,105. The cost of issuance, including the underwriters' discount, was \$1,259,026.

Proceeds from the sale of the Series 2012 Bonds, together with other legally available funds from current year principal set asides, were used to refund (i) all of the New Mexico State Highway Commission Highway Infrastructure Fund Revenue Bonds, in the current outstanding amount of \$5,930,000 (The "Series 2002C Bonds"), (ii) all of the New Mexico State Transportation Commission Senior Subordinate Lien Tax Revenue Highway Bonds, in the current outstanding amount of \$1,575,000 (The "Series 2002D Bonds"), (iii) a portion of the Finance Authority State Transportation Revenue Bonds totaling \$167,695,000 currently outstanding in the aggregate amount of \$248,310,000 (The "Series 2004A Bonds"), and (iv) a portion of the Finance Authority State Transportation Revenue Bonds totaling \$66,040,000 currently outstanding in the aggregate amount of \$149,760,000 (The "Series 2006A Bonds"). Proceeds from the Series 2012 Bonds were also be used to pay costs of issuing the Series 2012 Bonds.

Principal of the Bonds is payable as follows on June 15. Interest, with rates ranging from 1.25% to 5.00% per annum, is payable semi-annually on June 15 and December 15 through the year 2026.

The Department's future scheduled annual requirements to amortize the Bonds, including interest payments of \$67,502,952, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Series 2012A Refunding:			
2015	900,000	8,791,663	\$ 9,691,663
2016	45,485,000	8,764,663	54,249,663
2017	1,095,000	7,454,963	8,549,963
2018	1,305,000	7,411,163	8,716,163
2019	4,640,000	7,394,850	12,034,850
2020-2024	120,045,000	25,037,450	145,082,450
2025-2029	43,985,000	2,648,200	46,633,200
Total	<u>\$ 217,455,000</u>	<u>\$ 67,502,952</u>	<u>\$ 284,957,952</u>

**14. LONG-TERM OBLIGATIONS - continued**

**2014A Revenue**

The Department issued \$70,110,000 NMFA State Transportation Highway Revenue Bonds (Subordinate Lien) Series 2014A in March 2014. The gross proceeds to the Department were \$80,001,236 including an original issuance premium of \$10,532,347. The cost of issuance, including the underwriters' discount, was \$470,989.

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 financing 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. Proceeds from the Series 2014A Bonds were also used to pay costs of issuing the Series 2014A Bonds.

Principal of the Bonds is payable as follows on June 15. Interest, with a rate of 5.00% per annum, is payable semi-annually on June 15 and December 15 through the year 2032.

The Department's future scheduled annual requirements to amortize the Bonds, including interest payments of \$44,812,250, are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Series 2014A:			
2015	\$ -	\$ 3,505,500	\$ 3,505,500
2016	-	3,505,500	3,505,500
2017	-	3,505,500	3,505,500
2018	3,775,000	3,505,500	7,280,500
2019	3,855,000	3,316,750	7,171,750
2020-2024	6,905,000	14,376,500	21,281,500
2025-2029	32,565,000	10,847,250	43,412,250
2030-2032	23,010,000	2,249,750	25,259,750
Total	<u>\$ 70,110,000</u>	<u>\$ 44,812,250</u>	<u>\$ 114,922,250</u>

**14. 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>
2015	\$ 152,159,252
2016	132,430,520
2017	153,273,726
2018	152,147,088
2019	152,086,656
2020-2024	783,503,454
2025-2029	405,734,792
2030-2032	<u>25,259,750</u>
<b>Total</b>	<b><u><u>\$ 1,956,595,238</u></u></b>

**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 \$71,052,569 for the year-ended June 30, 2014

**Capital Leases**

There are no future minimum lease obligations to report as of June 30, 2014.

**Compensated Absences**

An obligation amounting to \$5,960,118 at June 30, 2014 has been recorded to the government-wide financial statements representing the Department's commitment for accrued vacation, sick leave and other compensated absences.

**15. NEGATIVE FUND BALANCES**

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

**Fund 10030: Federal Planning and Development Fund \$425,220**

This amount represents deferred revenue that will be billed and received in the subsequent fiscal year.

**Fund 89200: STB Capital Outlay Fund \$59,400**

This amount represents unreimbursed expenditures held as retainage.

**16. 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, 2014 were as follows:

Fund 93100	<u>\$ 98,813</u>
Total of all reversions	<u>\$ 98,813</u>



**17. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION**

**Plan Description**

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

**Funding Policy**

Plan members who earn over \$20,000 are required to contribute 8.92% of their gross salary, those who earn up to \$20,000 are required to contribute 7.42% of their gross salary.

The Department was required to contribute 16.59% 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, 2014, 2013, and 2012 were \$14,365,606, \$12,635,831, and \$11,046,477, respectively, equal to the amount of the required contribution for each year.

**18. 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.

**18. POST-EMPLOYMENT BENEFITS - STATE RETIREE HEALTH CARE PLAN - continued**

**Plan Description - continued**

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.

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

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

**18. POST-EMPLOYMENT BENEFITS - STATE RETIREE HEALTH CARE PLAN - continued**

**Funding Policy - continued**

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were member of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage 3, 4, or 5; municipal fire member coverage plan 3, 4, or 5 ; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June, 2014, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(g) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislation shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The Department's contributions to the RHCA for the years ended June 30, 2014, 2013, 2012 were \$1,743,824, \$1,676,656, and \$1,505,141, respectively, which equal the required contributions for each year.

**19. 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 2011-2012 fiscal year, the Department paid Risk Management \$4,283,653 in insurance premiums. During the 2012-2013 fiscal year, the Department paid Risk Management \$3,122,902 in insurance premiums. During the 2013-2014 fiscal year, the Department paid Risk Management \$7,381,657 in insurance premiums. The Department's exposure is limited to \$1,000 per any first-party incurred property loss, with the exception of theft, which has a \$5,000 deductible.

After conferring with legal counsel concerning pending litigation and claims, the Department believes that the outcome of pending litigation should not have a materially adverse effect on the financial position or operations of the Department. In addition, for the years ended June 30, 2012, 2013 and 2014, the Department had no claims for which the Risk Management Division has returned as "not covered" that would become the responsibility of the Department.

**20. 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.

**21. 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, 2014 was \$1,076,244.

The future minimum lease payments under operating leases as of June 30, 2014 are as follows:

<b>Years ending June 30:</b>	<b>Lease Amounts</b>
2014	\$ 188,022
2015	79,615
2016	79,615
2017	79,615
2018-2022	159,230
	<hr/>
	\$ 586,097

**22. 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, 2014 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.

**23. BUDGETED VS. ACTUAL EXPENDITURES**

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.

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) and the HIF Bond Fund (#20200). 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.

**24. SUBSEQUENT EVENTS**

**Updated Fair Value of Swaps**

The estimated fair value of the swaps at November 25, 2014 was as follows:

<u>Counterparty</u>	<u>Notional Value</u>	<u>Fair Value</u>	<u>Collateral Posted</u>
Goldman Sachs	\$ 50,000,000	\$ (11,120,221)	\$ -
Deutsche	50,000,000	(11,120,221)	-
Royal Bank of Canada	100,000,000	(22,240,442)	3,030,000
JPMorgan Chase Bank	110,000,000	(33,026,187)	4,380,000
UBS AG	110,000,000	(33,026,187)	4,380,000
Total	<u>\$ 420,000,000</u>	<u>\$ (110,533,258)</u>	<u>\$ 11,790,000</u>

**24. SUBSEQUENT EVENTS - continued**

**Bond Issuance**

In November of 2014, the State Transportation Commission approved a resolution authorizing and approving the issuance by the New Mexico Finance Authority of one or more series of State Transportation Revenue Refunding Bonds in an aggregate principal amount not to exceed \$100,000,000 on or before March 31, 2015. The refunding bonds will be used to refund all or a portion of the previously issued Series 2006A GRIP Revenue Bonds of which \$83,270,000 are currently outstanding and the Series 2006B GRIP Refunding Revenue Bonds of which \$24,085,000 are currently outstanding. The refunding revenue bonds will be issued for the purposes of achieving net present value debt service savings of at least three percent and the Commission anticipates that the refunding revenue bonds will be issued as fixed rates bonds, will be issued in two series reflecting the respective senior and subordinate lines of the obligations, and the specific amounts and maturities will be determined based on market conditions on the date of pricing.

**25. 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, 2013, through June 30, 2014.

**26. RECENT ACCOUNTING PRONOUNCEMENTS**

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27*. This Statement improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards governing accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement will be effective for the Department in fiscal year 2015, and will require the Department to record its proportionate share of the unfunded pension plan liabilities in the New Mexico State Retirement System and other plans. Although the amount of the liability is unknown, it is presumed to be material.

**26. RECENT ACCOUNTING PRONOUNCEMENTS - continued**

In January 2013, the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment of GASB Statement No. 68*. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This Statement will be effective for the Department in fiscal year 2015. The Department is in the process of evaluating the impact of this pronouncement on its financial statements.

In January 2013, the GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term *government combination includes* a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This Statement will be effective for the Department in fiscal year 2015. The Department is in the process of evaluating the impact (if any) of this pronouncement on its financial statements.

**SUPPLEMENTARY INFORMATION**



**NEW MEXICO DEPARTMENT OF TRANSPORTATION**  
**Schedule of Traffic Safety Fund Components - Balance Sheet**

As of June 30, 2014

	Federal Traffic Safety Fund	Driver Improvement Fund	Motorcycle Training Fund	DWI Prevention and Education Fund
	(SHARE 10010)	(SHARE 10020)	(SHARE 20600)	(SHARE 20700)
<b>Assets:</b>				
Cash:				
Unrestricted	\$ -	\$ -	\$ -	\$ -
Cash Equivalents: (investment in state general fund investment pool)				
Restricted	3,279,040	563,789	63,616	1,469,188
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	4,361,123	-	-	-
Other funds	45,377	-	-	-
Other state agencies	-	-	16,084	44,030
Inventories	-	-	-	-
Prepaid expenses - other	-	-	-	-
Prepaid expense - NM44 warranty	-	-	-	-
Property held for resale	-	-	-	-
<b>Total Assets</b>	<b>\$ 7,685,540</b>	<b>\$ 563,789</b>	<b>\$ 79,700</b>	<b>\$ 1,513,218</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 1,896,200	\$ 57,440	\$ 42,495	\$ 82,830
Due to:				
Other funds	147,080	-	3,529	-
Other state agencies	15,209	-	-	-
State general fund	3,069	-	-	-
Local governments	-	-	-	-
Unearned revenue	-	-	-	-
Other accrued expenses	12,464	-	-	-
Other liabilities	-	-	-	-
<b>Total Liabilities</b>	<b>2,074,022</b>	<b>57,440</b>	<b>46,024</b>	<b>82,830</b>
<b>Deferred Inflows of Resources:</b>				
Amounts unavailable (not received within period of availability)	2,367,487	-	-	-
<b>Total Deferred Inflows of Resources:</b>	<b>2,367,487</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance:</b>				
Non-spendable	-	-	-	-
Restricted	3,244,031	-	33,676	1,430,388
Committed	-	506,349	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balance</b>	<b>3,244,031</b>	<b>506,349</b>	<b>33,676</b>	<b>1,430,388</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 7,685,540</b>	<b>\$ 563,789</b>	<b>\$ 79,700</b>	<b>\$ 1,513,218</b>

See Independent Auditors' Report

**NEW MEXICO DEPARTMENT OF TRANSPORTATION**  
**Schedule of Traffic Safety Fund Components - Balance Sheet**

Traffic Safety Fund (SHARE 20800)	Ignition Interlock Fund (SHARE 82600)	Traffic Safety Fund(s) (SHARE 10010, 10020, 20600, 20700, 20800, 82600)
\$ -	\$ -	\$ -
675,063	3,732,735	9,783,431
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	4,361,123
-	-	45,377
18,073	42,000	120,187
-	-	-
-	-	-
-	-	-
<u>\$ 693,136</u>	<u>\$ 3,774,735</u>	<u>\$ 14,310,118</u>
\$ 294,138	\$ 32,138	\$ 2,405,241
-	-	150,609
-	-	15,209
-	-	3,069
-	-	-
-	-	-
-	1,323	13,787
-	-	-
<u>294,138</u>	<u>33,461</u>	<u>2,587,915</u>
-	-	2,367,487
-	-	<u>2,367,487</u>
-	-	-
398,998	3,741,274	8,848,367
-	-	506,349
-	-	-
-	-	-
<u>398,998</u>	<u>3,741,274</u>	<u>9,354,716</u>
<u>\$ 693,136</u>	<u>\$ 3,774,735</u>	<u>\$ 14,310,118</u>

**NEW MEXICO DEPARTMENT OF TRANSPORTATION**  
**Schedule of Traffic Safety Fund Components - Statement of Revenues,**  
**Expenditures and Changes in Fund Balance**

For the Year Ended June 30, 2014

	Federal Traffic Safety Fund	Driver Improvement Fund	Motorcycle Training Fund	DWI Prevention and Education Fund
	(SHARE 10010)	(SHARE 10020)	(SHARE 20600)	(SHARE 20700)
<b>Revenues:</b>				
User and fuel taxes	\$ -	\$ -	\$ -	\$ -
U.S. Department of Transportation	13,519,611	-	-	-
Fees and fines	-	-	-	-
Licenses and permits	-	268,953	133,444	517,046
Charges for services	-	-	-	-
Other revenue	32,552	-	-	-
Interest earnings	-	-	82	-
<b>Total Revenues</b>	<b>13,552,163</b>	<b>268,953</b>	<b>133,526</b>	<b>517,046</b>
<b>Expenditures:</b>				
Current:				
Operating costs	-	-	-	-
Personal services	495,131	-	-	-
Out-of-state travel	-	-	-	-
Grants and services	10,826,612	338,672	96,326	470,020
Travel	-	-	-	-
Maintenance and repairs	-	-	-	-
Supplies	-	-	-	-
Contractual services	-	-	-	-
Other costs	5,797	-	-	-
Employee benefits	165,176	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Debt issuance costs	-	-	-	-
<b>Total Expenditures</b>	<b>11,492,716</b>	<b>338,672</b>	<b>96,326</b>	<b>470,020</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>2,059,447</b>	<b>(69,719)</b>	<b>37,200</b>	<b>47,026</b>
<b>Other Financing Sources (Uses):</b>				
Appropriations, net of reversions	-	-	-	-
Transfers: severance	-	-	-	-
tax bond appropriation	-	-	-	-
Transfers from (to) other agencies	-	-	-	-
Transfers: intra-agency	-	-	(3,529)	-
Face value of debentures payable	-	-	-	-
Premiums of debentures payable	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(3,529)</b>	<b>-</b>
<b>Net Changes in Fund Balance</b>	<b>2,059,447</b>	<b>(69,719)</b>	<b>33,671</b>	<b>47,026</b>
<b>Fund Balance, June 30, 2013</b>	<b>1,184,584</b>	<b>576,068</b>	<b>5</b>	<b>1,383,362</b>
<b>Fund Balance, June 30, 2014</b>	<b>\$ 3,244,031</b>	<b>\$ 506,349</b>	<b>\$ 33,676</b>	<b>\$ 1,430,388</b>

See Independent Auditors' Report

**NEW MEXICO DEPARTMENT OF TRANSPORTATION**  
**Schedule of Traffic Safety Fund Components - Statement of Revenues,**  
**Expenditures and Changes in Fund Balance**

Traffic Safety Fund (SHARE 20800)	Ignition Interlock Fund (SHARE 82600)	Traffic Safety Fund(s) (SHARE 10010, 10020, 20600, 20700, 20800, 82600)
\$ -	\$ -	\$ -
-	-	13,519,611
-	-	-
1,046,485	511,016	2,476,944
-	-	-
-	400	32,952
505	-	587
<u>1,046,990</u>	<u>511,416</u>	<u>16,030,094</u>
-	-	-
-	32,673	527,804
-	-	-
1,157,063	423,137	13,311,830
-	-	-
-	-	-
-	-	-
206,963	-	212,760
-	23,461	188,637
-	-	-
-	-	-
-	-	-
<u>1,364,026</u>	<u>479,271</u>	<u>14,241,031</u>
<u>(317,036)</u>	<u>32,145</u>	<u>1,789,063</u>
-	-	-
-	-	-
-	300,000	300,000
-	-	(3,529)
-	-	-
-	-	-
<u>-</u>	<u>300,000</u>	<u>296,471</u>
<u>(317,036)</u>	<u>332,145</u>	<u>2,085,534</u>
<u>716,034</u>	<u>3,409,129</u>	<u>7,269,182</u>
<u>\$ 398,998</u>	<u>\$ 3,741,274</u>	<u>\$ 9,354,716</u>

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

As of June 30, 2014

	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)
<b>Assets:</b>				
Cash:				
Unrestricted	\$ -	\$ -	\$ -	\$ -
Cash Equivalents: (investment in state general fund investment pool)				
Restricted	9,783,431	-	10,075,346	22,250,610
Managed by NMFA	-	-	-	-
Receivables:				
Accounts receivable, net	-	-	-	-
Interest receivable	-	-	-	-
Other receivables	-	-	-	-
Due from:				
U.S. Department of Transportation	4,361,123	3,913,219	-	-
Other funds	45,377	-	1	-
Other state agencies	120,187	-	1,161,135	3,650,321
Inventories	-	-	-	-
Prepaid expenses - other	-	-	-	-
Prepaid expense - NM44 warranty	-	-	-	-
Property held for resale	-	-	-	-
<b>Total Assets</b>	<b>\$ 14,310,118</b>	<b>\$ 3,913,219</b>	<b>\$ 11,236,482</b>	<b>\$ 25,900,931</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 2,405,241	\$ 2,807,480	\$ -	\$ 3,618,244
Due to:				
Other funds	150,609	1,100	-	-
Other state agencies	15,209	652,390	-	-
State general fund	3,069	-	-	-
Local governments	-	-	-	-
Other accrued expenses	13,787	32,180	-	-
Other liabilities	-	-	-	-
<b>Total Liabilities</b>	<b>2,587,915</b>	<b>3,493,150</b>	<b>-</b>	<b>3,618,244</b>
<b>Deferred Inflows of Resources:</b>				
Amounts unavailable (not received within period of availability)	2,367,487	845,289	-	130,739
<b>Total Deferred Inflows of Resources:</b>	<b>2,367,487</b>	<b>845,289</b>	<b>-</b>	<b>130,739</b>
<b>Fund Balance:</b>				
Non-spendable	-	-	-	-
Restricted	8,848,367	-	11,236,482	-
Committed	506,349	-	-	22,151,948
Assigned	-	-	-	-
Unassigned	-	(425,220)	-	-
<b>Total Fund Balance</b>	<b>9,354,716</b>	<b>(425,220)</b>	<b>11,236,482</b>	<b>22,151,948</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 14,310,118</b>	<b>\$ 3,913,219</b>	<b>\$ 11,236,482</b>	<b>\$ 25,900,931</b>

See Independent Auditors' Report

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

State Aviation Fund	1993 Bond Project Fund	1999A CHAT Bond Project Fund	WIPP Bond Project Fund	2001A CHAT Bond Project Fund	2002C HIF Bond Project Fund
(SHARE 20500)	(SHARE 39400)	(SHARE 43000)	(SHARE 43100)	(SHARE 00600)	(SHARE 36100)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17,007,619	1,601,278	2,126,588	1,887,265	4,737,841	1,309,468
-	-	-	-	-	-
6,450	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,006,623	122	162	-	361	100
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 18,020,692</u>	<u>\$ 1,601,400</u>	<u>\$ 2,126,750</u>	<u>\$ 1,887,265</u>	<u>\$ 4,738,202</u>	<u>\$ 1,309,568</u>
\$ 897,187	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	1,887,265	-	-
-	-	-	-	-	-
-	-	-	-	-	-
10,324	-	-	-	-	-
-	-	-	-	-	-
<u>907,511</u>	<u>-</u>	<u>-</u>	<u>1,887,265</u>	<u>-</u>	<u>-</u>
984	-	-	-	-	-
<u>984</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	1,601,400	2,126,750	-	4,738,202	1,309,568
17,112,197	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>17,112,197</u>	<u>1,601,400</u>	<u>2,126,750</u>	<u>-</u>	<u>4,738,202</u>	<u>1,309,568</u>
<u>\$ 18,020,692</u>	<u>\$ 1,601,400</u>	<u>\$ 2,126,750</u>	<u>\$ 1,887,265</u>	<u>\$ 4,738,202</u>	<u>\$ 1,309,568</u>

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

As of June 30, 2014

	2002D CHAT Bond Project Fund	2004A GRIP Bond Project Fund	2006A GRIP Bond Project Fund	2006B GRIP Bond Project Fund
	(SHARE 11500)	(SHARE 20400)	(SHARE 10210)	SHARE (10230)
<b>Assets:</b>				
Cash:				
Unrestricted	\$ -	\$ -	\$ -	\$ -
Cash Equivalents: (investment in state general fund investment pool)				
Restricted	639,723	112,078	324,974	49,671
Managed by NMFA	-	-	162,283	10,386
Receivables:				
Accounts receivable, net	-	-	-	-
Interest receivable	-	-	1	-
Other receivables	-	-	-	-
Due from:				
U.S. Department of Transportation	-	-	-	-
Other funds	-	-	-	-
Other state agencies	49	-	-	-
Inventories	-	-	-	-
Prepaid expenses - other	-	-	-	-
Prepaid expense - NM44 warranty	-	-	-	-
Property held for resale	-	-	-	-
<b>Total Assets</b>	<b>\$ 639,772</b>	<b>\$ 112,078</b>	<b>\$ 487,258</b>	<b>\$ 60,057</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to:				
Other funds	-	-	-	-
Other state agencies	-	-	-	-
State general fund	-	-	-	-
Local governments	-	-	-	-
Other accrued expenses	-	-	-	-
Other liabilities	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>				
Amounts unavailable (not received within period of availability)	-	-	-	-
<b>Total Deferred Inflows of Resources:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance:</b>				
Non-spendable	-	-	-	-
Restricted	639,772	112,078	487,258	60,057
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balance</b>	<b>639,772</b>	<b>112,078</b>	<b>487,258</b>	<b>60,057</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 639,772</b>	<b>\$ 112,078</b>	<b>\$ 487,258</b>	<b>\$ 60,057</b>

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

2006C GRIP Bond Project Fund	2006D GRIP Bond Project Fund	2010A Bond Project Fund	Total Special Revenue Funds
(SHARE 10250)	(SHARE 10270)	(SHARE 10450)	
\$ -	\$ -	\$ -	\$ -
-	-	-	71,905,892
179,148	-	17,780,385	18,132,202
-	-	-	6,450
1	-	144	146
-	-	-	-
-	-	-	8,274,342
-	-	-	45,378
-	-	-	5,939,060
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>\$ 179,149</u>	<u>\$ -</u>	<u>\$ 17,780,529</u>	<u>\$ 104,303,470</u>
\$ -	\$ -	\$ 2,685,730	\$ 12,413,882
-	-	-	2,038,974
-	-	1,196,171	1,863,770
-	-	-	3,069
-	-	-	-
-	-	-	56,291
-	-	-	-
-	-	3,881,901	16,375,986
-	-	-	3,344,499
-	-	-	3,344,499
-	-	-	-
179,149	-	13,898,628	45,237,711
-	-	-	39,770,494
-	-	-	-
-	-	-	(425,220)
<u>179,149</u>	<u>-</u>	<u>13,898,628</u>	<u>84,582,985</u>
<u>\$ 179,149</u>	<u>\$ -</u>	<u>\$ 17,780,529</u>	<u>\$ 104,303,470</u>

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

As of June 30, 2014

	Capital Projects Fund	Severance Tax Bond Appropriations Fund	STB Capital Outlay Fund
	(SHARE 10050)	(SHARE 10060)	(SHARE 89200)
<b>Assets:</b>			
Cash:			
Unrestricted	\$ -	\$ -	\$ -
Cash Equivalents: (investment in state general fund investment pool)			
Restricted	22,847,198	-	-
Managed by NMFA	-	-	-
Receivables:			
Accounts receivable, net	5,000,000	-	-
Interest receivable	-	-	-
Other receivables	-	-	-
Due from:			
U.S. Department of Transportation	-	-	-
Other funds	-	2,428,585	-
Other state agencies	-	511,456	4,901,134
Inventories	-	-	-
Prepaid expenses - other	-	-	-
Prepaid expense - NM44 warranty	-	-	-
Property held for resale	-	-	-
<b>Total Assets</b>	<b>\$ 27,847,198</b>	<b>\$ 2,940,041</b>	<b>\$ 4,901,134</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 7,190,831	\$ 841,247	\$ 4,373,124
Due to:			
Other funds	-	1,455	390,591
Other state agencies	-	2,096,989	196,819
State general fund	-	350	-
Local governments	-	-	-
Other accrued expenses	-	-	-
Other liabilities	-	-	-
<b>Total Liabilities</b>	<b>7,190,831</b>	<b>2,940,041</b>	<b>4,960,534</b>
<b>Deferred Inflows of Resources:</b>			
Amounts unavailable (not received within period of availability)	-	-	-
<b>Total Deferred Inflows of Resources:</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance:</b>			
Non-spendable	-	-	-
Restricted	-	-	-
Committed	20,656,367	-	-
Assigned	-	-	-
Unassigned	-	-	(59,400)
<b>Total Fund Balance</b>	<b>20,656,367</b>	<b>-</b>	<b>(59,400)</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 27,847,198</b>	<b>\$ 2,940,041</b>	<b>\$ 4,901,134</b>

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

General Fund Appropriations Fund	GF Capital Outlay Fund	Total Capital Projects Funds
(SHARE 10070)	(SHARE 93100)	
\$ -	\$ -	\$ -
466,257	98,814	23,412,269
-	-	-
-	-	5,000,000
-	-	-
-	-	-
-	-	2,428,585
-	-	5,412,590
-	-	-
-	-	-
-	-	-
-	-	-
<u>\$ 466,257</u>	<u>\$ 98,814</u>	<u>\$ 36,253,444</u>
\$ 207,525	\$ -	\$ 12,612,727
-	-	392,046
-	-	2,293,808
-	98,814	99,164
-	-	-
-	-	-
<u>207,525</u>	<u>98,814</u>	<u>15,397,745</u>
-	-	-
-	-	-
-	-	-
258,732	-	20,915,099
-	-	-
-	-	(59,400)
<u>258,732</u>	<u>-</u>	<u>20,855,699</u>
<u>\$ 466,257</u>	<u>\$ 98,814</u>	<u>\$ 36,253,444</u>

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

As of June 30, 2014

	1998A WIPP Bond Debt Service Fund	1998A CHAT Bond Debt Service Fund	1999 CHAT Bond Debt Service Fund	2000 CHAT Bond Debt Service Fund
	(SHARE 97200)	(SHARE 54800)	(SHARE 43400)	(SHARE 43200)
<b>Assets:</b>				
Cash:				
Unrestricted	\$ -	\$ -	\$ -	\$ -
Cash Equivalents: (investment in state general fund investment pool)				
Restricted	14,570	142,176	267,318	204,933
Managed by NMFA	-	-	-	-
Receivables:				
Accounts receivable, net	-	-	-	-
Interest receivable	-	-	-	-
Other receivables	-	-	-	-
Due from:				
U.S. Department of Transportation	-	-	-	-
Other funds	199,253	86,180	750,144	1,184,452
Other state agencies	1	11	20	16
Inventories	-	-	-	-
Prepaid expenses - other	-	-	-	-
Prepaid expense - NM44 warranty	-	-	-	-
Property held for resale	-	-	-	-
<b>Total Assets</b>	<b>\$ 213,824</b>	<b>\$ 228,367</b>	<b>\$ 1,017,482</b>	<b>\$ 1,389,401</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to:				
Other funds	-	-	-	-
Other state agencies	-	-	-	-
State general fund	-	-	-	-
Local governments	-	-	-	-
Other accrued expenses	-	-	-	-
Other liabilities	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources:</b>				
Amounts unavailable (not received within period of availability)	-	-	-	-
<b>Total Deferred Inflows of Resources:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance:</b>				
Non-spendable	-	-	-	-
Restricted	213,824	228,367	1,017,482	1,389,401
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balance</b>	<b>213,824</b>	<b>228,367</b>	<b>1,017,482</b>	<b>1,389,401</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 213,824</b>	<b>\$ 228,367</b>	<b>\$ 1,017,482</b>	<b>\$ 1,389,401</b>

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

<b>2001A CHAT Bond Debt Service Fund (SHARE 00700)</b>	<b>2002A CHAT Bond Debt Service Fund (SHARE 54700)</b>	<b>2002B WIPP Bond Debt Service Fund (SHARE 75000)</b>	<b>2002C HIF Bond Debt Service Fund (SHARE 36300)</b>	<b>2002D CHAT Bond Debt Service Fund (SHARE 18700)</b>	<b>2004A GRIP Bond Debt Service Fund (SHARE 10080)</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
234,752	83,920	111,379	62,499	12,862	-
-	-	-	-	-	511,801
-	-	-	-	-	-
-	-	-	-	-	91
-	-	-	-	-	-
1,651,520	690,434	702,644	-	-	-
18	6	8	5	1	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 1,886,290</u>	<u>\$ 774,360</u>	<u>\$ 814,031</u>	<u>\$ 62,504</u>	<u>\$ 12,863</u>	<u>\$ 511,892</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,886,290	774,360	814,031	62,504	12,863	511,892
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,886,290</u>	<u>774,360</u>	<u>814,031</u>	<u>62,504</u>	<u>12,863</u>	<u>511,892</u>
<u>\$ 1,886,290</u>	<u>\$ 774,360</u>	<u>\$ 814,031</u>	<u>\$ 62,504</u>	<u>\$ 12,863</u>	<u>\$ 511,892</u>

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

As of June 30, 2014

	2004B GRIP Bond Debt Service Fund	2006A GRIP Bond Debt Service Fund	2006B GRIP Bond Debt Service Fund	2008A GRIP Bond Debt Service Fund
	(SHARE 10090)	(SHARE 10220)	(SHARE 10240)	(SHARE 10410)
<b>Assets:</b>				
Cash:				
Unrestricted	\$ -	\$ -	\$ -	\$ -
Cash Equivalents: (investment in state general fund investment pool)				
Restricted	-	-	-	-
Managed by NMFA	3,247,843	34,335	6,957	5,011,289
Receivables:				
Accounts receivable, net	-	-	-	-
Interest receivable	13	9	2	166
Other receivables	-	-	-	-
Due from:				
U.S. Department of Transportation	-	-	-	-
Other funds	-	-	-	2,045
Other state agencies	-	-	-	-
Inventories	-	-	-	-
Prepaid expenses - other	-	-	-	-
Prepaid expense - NM44 warranty	-	-	-	-
Property held for resale	-	-	-	-
<b>Total Assets</b>	<b>\$ 3,247,856</b>	<b>\$ 34,344</b>	<b>\$ 6,959</b>	<b>\$ 5,013,500</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to:				
Other funds	-	-	2,045	1,371,193
Other state agencies	-	-	-	-
State general fund	-	-	-	-
Local governments	-	-	-	-
Other accrued expenses	-	-	-	-
Other liabilities	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>2,045</b>	<b>1,371,193</b>
<b>Deferred Inflows of Resources:</b>				
Amounts unavailable (not received within period of availability)	-	-	-	-
<b>Total Deferred Inflows of Resources:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance:</b>				
Non-spendable	-	-	-	-
Restricted	3,247,856	34,344	4,914	3,642,307
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balance</b>	<b>3,247,856</b>	<b>34,344</b>	<b>4,914</b>	<b>3,642,307</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 3,247,856</b>	<b>\$ 34,344</b>	<b>\$ 6,959</b>	<b>\$ 5,013,500</b>

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

2008B GRIP Bond Debt Service Fund	2008C GRIP Bond Debt Service Fund	2008D GRIP Bond Debt Service Fund	2009A Bond Debt Service Fund	2010A Bond Debt Service Fund	2010B Bond Debt Service Fund
(SHARE 10420)	(SHARE 10430)	(SHARE 10440)	(SHARE 11130)	(SHARE 11140)	(SHARE 20450)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
6,804,596	1,735,646	1,782,221	50,116	177,102	204,070
-	-	-	-	-	-
268	106	14	47	12	73
-	-	-	-	-	-
250	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 6,805,114</u>	<u>\$ 1,735,752</u>	<u>\$ 1,782,235</u>	<u>\$ 50,163</u>	<u>\$ 177,114</u>	<u>\$ 204,143</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6,409,295	1,009,166	1,267,688	-	133,843	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>6,409,295</u>	<u>1,009,166</u>	<u>1,267,688</u>	<u>-</u>	<u>133,843</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
395,819	726,586	514,547	50,163	43,271	204,143
-	-	-	-	-	-
-	-	-	-	-	-
<u>395,819</u>	<u>726,586</u>	<u>514,547</u>	<u>50,163</u>	<u>43,271</u>	<u>204,143</u>
<u>\$ 6,805,114</u>	<u>\$ 1,735,752</u>	<u>\$ 1,782,235</u>	<u>\$ 50,163</u>	<u>\$ 177,114</u>	<u>\$ 204,143</u>

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

As of June 30, 2014

	2012A Bond Debt Service Fund  (SHARE 30850)	2014A Bond Debt Service Fund  (SHARE 11960)	Total Debt Service Funds	Total Non Major Governmental Funds
<b>Assets:</b>				
Cash:				
Unrestricted	\$ -	\$ -	\$ -	\$ -
Cash Equivalents: (investment in state general fund investment pool)				
Restricted	-	-	1,134,409	96,452,570
Managed by NMFA	65,721	171,368	19,803,065	37,935,267
Receivables:				
Accounts receivable, net	-	-	-	5,006,450
Interest receivable	18	5	824	970
Other receivables	-	-	-	-
Due from:				
U.S. Department of Transportation	-	-	-	8,274,342
Other funds	-	-	5,266,922	7,740,885
Other state agencies	-	-	86	11,351,736
Inventories	-	-	-	-
Prepaid expenses - other	-	-	-	-
Prepaid expense - NM44 warranty	-	-	-	-
Property held for resale	-	-	-	-
<b>Total Assets</b>	<b>\$ 65,739</b>	<b>\$ 171,373</b>	<b>\$ 26,205,306</b>	<b>\$ 166,762,220</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 25,026,609
Due to:				
Other funds	611	1	10,193,842	12,624,862
Other state agencies	-	-	-	4,157,578
State general fund	-	-	-	102,233
Local governments	-	-	-	-
Other accrued expenses	-	-	-	56,291
Other liabilities	-	-	-	-
<b>Total Liabilities</b>	<b>611</b>	<b>1</b>	<b>10,193,842</b>	<b>41,967,573</b>
<b>Deferred Inflows of Resources:</b>				
Amounts unavailable (not received within period of availability)	-	-	-	3,344,499
<b>Total Deferred Inflows of Resources:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,344,499</b>
<b>Fund Balance:</b>				
Non-spendable	-	-	-	-
Restricted	65,128	171,372	16,011,464	61,249,175
Committed	-	-	-	60,685,593
Assigned	-	-	-	-
Unassigned	-	-	-	(484,620)
<b>Total Fund Balance</b>	<b>65,128</b>	<b>171,372</b>	<b>16,011,464</b>	<b>121,450,148</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 65,739</b>	<b>\$ 171,373</b>	<b>\$ 26,205,306</b>	<b>\$ 166,762,220</b>

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

For the Year Ended June 30, 2014

	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)
<b>Revenues:</b>				
User and fuel taxes	\$ -	\$ -	\$ 5,888,728	\$ 13,832,328
U.S. Department of Transportation	13,519,611	12,732,206	-	-
Fees and fines	-	-	-	-
Licenses and permits	2,476,944	-	1,836,118	7,664,102
Charges for services	-	-	-	-
Other revenue	32,952	84	-	42,985
Interest earnings	587	-	7,322	14,546
<b>Total Revenues</b>	<b>16,030,094</b>	<b>12,732,290</b>	<b>7,732,168</b>	<b>21,553,961</b>
<b>Expenditures:</b>				
Current:				
Operating costs	-	4,407	-	-
Personal services	527,804	329,988	-	-
Out-of-state travel	-	2,874	-	-
Grants and services	13,311,830	12,713,497	-	19,060,381
Travel	-	550	-	-
Maintenance and repairs	-	-	-	-
Supplies	-	577	-	-
Contractual services	-	-	-	-
Other costs	212,760	-	300	-
Employee benefits	188,637	105,617	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	5,069,300	-
Interest	-	-	2,680,322	-
Debt issuance costs	-	-	-	-
<b>Total Expenditures</b>	<b>14,241,031</b>	<b>13,157,510</b>	<b>7,749,922</b>	<b>19,060,381</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>1,789,063</b>	<b>(425,220)</b>	<b>(17,754)</b>	<b>2,493,580</b>
<b>Other Financing Sources (Uses):</b>				
Appropriations, net of reversions	-	-	-	-
Transfers: severance	-	-	-	-
tax bond appropriation	-	-	-	-
Transfers from (to) other agencies	300,000	-	-	-
Transfers: intra-agency	(3,529)	1,290,446	-	-
Face value of debentures payable	-	-	-	-
Premiums of debentures payable	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>296,471</b>	<b>1,290,446</b>	<b>-</b>	<b>-</b>
<b>Net Changes in Fund Balance</b>	<b>2,085,534</b>	<b>865,226</b>	<b>(17,754)</b>	<b>2,493,580</b>
<b>Fund Balance, June 30, 2013</b>	<b>7,269,182</b>	<b>(1,290,446)</b>	<b>11,254,236</b>	<b>19,658,368</b>
<b>Fund Balance, June 30, 2014</b>	<b>\$ 9,354,716</b>	<b>\$ (425,220)</b>	<b>\$ 11,236,482</b>	<b>\$ 22,151,948</b>

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

State Aviation Fund	1993 Bond Project Fund	1999A CHAT Bond Project Fund	WIPP Bond Project Fund	2001A CHAT Bond Project Fund	2002C HIF Bond Project Fund
(SHARE 20500)	(SHARE 39400)	(SHARE 43000)	(SHARE 43100)	(SHARE 00600)	(SHARE 36100)
\$ 6,031,387	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
68,882	-	-	-	-	-
-	-	-	-	-	-
1,684	-	-	-	-	-
12,059	1,142	1,516	-	3,376	934
<u>6,114,012</u>	<u>1,142</u>	<u>1,516</u>	<u>-</u>	<u>3,376</u>	<u>934</u>
36,810	-	-	-	-	-
317,493	-	-	-	-	-
4,305	-	-	-	-	-
4,925,067	-	-	-	-	-
4,326	-	-	-	-	-
10,253	-	-	-	-	-
56,882	-	-	-	-	-
887,856	-	-	-	-	-
238	-	-	-	-	-
126,147	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>6,369,377</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(255,365)	1,142	1,516	-	3,376	934
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	2,669,367	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	2,669,367	-	-
<u>(255,365)</u>	<u>1,142</u>	<u>1,516</u>	<u>2,669,367</u>	<u>3,376</u>	<u>934</u>
17,367,562	1,600,258	2,125,234	(2,669,367)	4,734,826	1,308,634
<u>\$ 17,112,197</u>	<u>\$ 1,601,400</u>	<u>\$ 2,126,750</u>	<u>\$ -</u>	<u>\$ 4,738,202</u>	<u>\$ 1,309,568</u>

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

For the Year Ended June 30, 2014

	2002D CHAT Bond Project Fund	2004A GRIP Bond Project Fund	2006A GRIP Bond Project Fund	2006B GRIP Bond Project Fund
	(SHARE 11500)	(SHARE 20400)	(SHARE 10210)	SHARE (10230)
<b>Revenues:</b>				
User and fuel taxes	\$ -	\$ -	\$ -	\$ -
U.S. Department of Transportation	-	-	-	-
Fees and fines	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Other revenue	-	-	-	-
Interest earnings	456	-	25	2
<b>Total Revenues</b>	<b>456</b>	<b>-</b>	<b>25</b>	<b>2</b>
<b>Expenditures:</b>				
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	-	-	-	-
Debt issuance costs	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>456</b>	<b>-</b>	<b>25</b>	<b>2</b>
<b>Other Financing Sources (Uses):</b>				
Appropriations, net of reversions	-	-	-	-
Transfers: severance	-	-	-	-
tax bond appropriation	-	-	-	-
Transfers from (to) other agencies	-	-	-	-
Transfers: intra-agency	-	-	-	-
Face value of debentures payable	-	-	-	-
Premiums of debentures payable	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Changes in Fund Balance</b>	<b>456</b>	<b>-</b>	<b>25</b>	<b>2</b>
<b>Fund Balance, June 30, 2013</b>	<b>639,316</b>	<b>112,078</b>	<b>487,233</b>	<b>60,055</b>
<b>Fund Balance, June 30, 2014</b>	<b>\$ 639,772</b>	<b>\$ 112,078</b>	<b>\$ 487,258</b>	<b>\$ 60,057</b>

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

2006C GRIP Bond Project Fund	2006D GRIP Bond Project Fund	2010A Bond Project Fund	Total Special Revenue Funds
(SHARE 10250)	(SHARE 10270)	(SHARE 10450)	
\$ -	\$ -	\$ -	\$ 25,752,443
-	-	-	26,251,817
-	-	-	68,882
-	-	-	11,977,164
-	-	-	-
-	-	17,477	95,182
28	-	4,660	46,653
<u>28</u>	<u>-</u>	<u>22,137</u>	<u>64,192,141</u>
-	-	-	41,217
-	-	-	1,175,285
-	-	-	7,179
-	-	-	50,010,775
-	-	-	4,876
-	-	-	10,253
-	-	-	57,459
-	-	1,517,580	2,405,436
-	-	-	213,298
-	-	-	420,401
-	-	14,490,764	14,490,764
-	-	-	5,069,300
-	-	-	2,680,322
-	-	-	-
<u>-</u>	<u>-</u>	<u>16,008,344</u>	<u>76,586,565</u>
28	-	(15,986,207)	(12,394,424)
-	-	-	-
-	-	-	-
-	-	-	300,000
-	-	-	3,956,284
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	4,256,284
<u>28</u>	<u>-</u>	<u>(15,986,207)</u>	<u>(8,138,140)</u>
179,121	-	29,884,835	92,721,125
<u>\$ 179,149</u>	<u>\$ -</u>	<u>\$ 13,898,628</u>	<u>\$ 84,582,985</u>

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

For the Year Ended June 30, 2014

	Capital Projects Fund (SHARE 10050)	Severance Tax Bond Appropriations Fund (SHARE 10060)	STB Capital Outlay Fund (SHARE 89200)
<b>Revenues:</b>			
User and fuel taxes	\$ -	\$ -	\$ -
U.S. Department of Transportation	-	-	-
Fees and fines	-	-	-
Licenses and permits	-	-	-
Charges for services	-	-	-
Other revenue	50,442,895	-	-
Interest earnings	-	-	-
<b>Total Revenues</b>	<u>50,442,895</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>			
Current:			
Operating costs	-	-	-
Personal services	-	-	-
Out-of-state travel	-	-	-
Grants and services	-	-	-
Travel	-	-	-
Maintenance and repairs	-	-	-
Supplies	-	-	-
Contractual services	30,659,393	-	329,366
Other costs	-	-	-
Employee benefits	-	-	-
Capital outlay	311,661	-	16,213,445
Debt service:			
Principal	-	-	-
Interest	-	-	-
Debt issuance costs	-	-	-
<b>Total Expenditures</b>	<u>30,971,054</u>	<u>-</u>	<u>16,542,811</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>19,471,841</u>	<u>-</u>	<u>(16,542,811)</u>
<b>Other Financing Sources (Uses):</b>			
Appropriations, net of reversions	-	-	-
Transfers: severance tax bond appropriation	-	998,889	16,603,611
Transfers from (to) other agencies	-	-	-
Transfers: intra-agency	-	2,218,994	(120,200)
Face value of debentures payable	-	-	-
Premiums of debentures payable	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>3,217,883</u>	<u>16,483,411</u>
<b>Net Changes in Fund Balance</b>	<u>19,471,841</u>	<u>3,217,883</u>	<u>(59,400)</u>
<b>Fund Balance, June 30, 2013</b>	<u>1,184,526</u>	<u>(3,217,883)</u>	<u>-</u>
<b>Fund Balance, June 30, 2014</b>	<u>\$ 20,656,367</u>	<u>\$ -</u>	<u>\$ (59,400)</u>

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

General Fund Appropriations Fund	GF Capital Outlay Fund	Total Capital Projects Funds
(SHARE 10070)	(SHARE 93100)	
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
-	-	-
-	-	50,442,895
-	-	-
<u>-</u>	<u>-</u>	<u>50,442,895</u>
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
1	2	30,988,759
-	66,167	3
-	-	16,591,273
-	-	-
-	-	-
<u>1</u>	<u>66,169</u>	<u>47,580,035</u>
(1)	(66,169)	2,862,860
-	(98,813)	(98,813)
-	-	17,602,500
-	-	-
-	-	2,098,794
-	-	-
<u>-</u>	<u>(98,813)</u>	<u>19,602,481</u>
(1)	(164,982)	22,465,341
258,733	164,982	(1,609,642)
<u>\$ 258,732</u>	<u>\$ -</u>	<u>\$ 20,855,699</u>

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

For the Year Ended June 30, 2014

	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)
<b>Revenues:</b>				
User and fuel taxes	\$ -	\$ -	\$ -	\$ -
U.S. Department of Transportation	-	-	-	-
Fees and fines	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Other revenue	-	-	-	-
Interest earnings	11	100	190	147
<b>Total Revenues</b>	<b>11</b>	<b>100</b>	<b>190</b>	<b>147</b>
<b>Expenditures:</b>				
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	-	-	-	-
Debt issuance costs	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>11</b>	<b>100</b>	<b>190</b>	<b>147</b>
<b>Other Financing Sources (Uses):</b>				
Appropriations, net of reversions	-	-	-	-
Transfers: severance	-	-	-	-
tax bond appropriation	-	-	-	-
Transfers from (to) other agencies	-	-	-	-
Transfers: intra-agency	-	-	-	-
Face value of debentures payable	-	-	-	-
Premiums of debentures payable	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Changes in Fund Balance</b>	<b>11</b>	<b>100</b>	<b>190</b>	<b>147</b>
<b>Fund Balance, June 30, 2013</b>	<b>213,813</b>	<b>228,267</b>	<b>1,017,292</b>	<b>1,389,254</b>
<b>Fund Balance, June 30, 2014</b>	<b>\$ 213,824</b>	<b>\$ 228,367</b>	<b>\$ 1,017,482</b>	<b>\$ 1,389,401</b>

See Independent Auditors' Report





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

For the Year Ended June 30, 2014

	2004B GRIP Bond Debt Service Fund	2006A GRIP Bond Debt Service Fund	2006B GRIP Bond Debt Service Fund	2008A GRIP Bond Debt Service Fund
	(SHARE 10090)	(SHARE 10220)	(SHARE 10240)	(SHARE 10410)
<b>Revenues:</b>				
User and fuel taxes	\$ -	\$ -	\$ -	\$ -
U.S. Department of Transportation	-	-	-	-
Fees and fines	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Other revenue	-	-	-	-
Interest earnings	863,356	227	111	143,067
<b>Total Revenues</b>	<b>863,356</b>	<b>227</b>	<b>111</b>	<b>143,067</b>
<b>Expenditures:</b>				
Current:				
Operating costs	-	-	-	-
Personal services	-	-	-	-
Out-of-state travel	-	-	-	-
Grants and services	-	-	-	-
Travel	-	-	-	-
Maintenance and repairs	-	-	-	-
Supplies	-	-	-	-
Contractual services	-	-	-	-
Other costs	-	-	-	95,538
Employee benefits	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	29,740,000	-	-	-
Interest	1,483,400	-	-	-
Debt issuance costs	-	-	-	-
<b>Total Expenditures</b>	<b>31,223,400</b>	<b>-</b>	<b>-</b>	<b>95,538</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(30,360,044)</b>	<b>227</b>	<b>111</b>	<b>47,529</b>
<b>Other Financing Sources (Uses):</b>				
Appropriations, net of reversions	-	-	-	-
Transfers: severance	-	-	-	-
tax bond appropriation	-	-	-	-
Transfers from (to) other agencies	-	-	-	-
Transfers: intra-agency	-	-	-	-
Face value of debentures payable	-	-	-	-
Premiums of debentures payable	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Changes in Fund Balance</b>	<b>(30,360,044)</b>	<b>227</b>	<b>111</b>	<b>47,529</b>
<b>Fund Balance, June 30, 2013</b>	<b>33,607,900</b>	<b>34,117</b>	<b>4,803</b>	<b>3,594,778</b>
<b>Fund Balance, June 30, 2014</b>	<b>\$ 3,247,856</b>	<b>\$ 34,344</b>	<b>\$ 4,914</b>	<b>\$ 3,642,307</b>

See Independent Auditors' Report

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

2008B GRIP Bond Debt Service Fund	2008C GRIP Bond Debt Service Fund	2008D GRIP Bond Debt Service Fund	2009A Bond Debt Service Fund	2010A Bond Debt Service Fund	2010B Bond Debt Service Fund
(SHARE 10420)	(SHARE 10430)	(SHARE 10440)	(SHARE 11130)	(SHARE 11140)	(SHARE 20450)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
895,236	104,999	291	817	1,748	1,306
895,236	104,999	291	817	1,748	1,306
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
729,795	17,305	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
143,563	77,818	-	-	-	-
-	-	-	-	-	-
873,358	95,123	-	-	-	-
-	-	-	-	-	-
21,878	9,876	291	817	1,748	1,306
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
21,878	9,876	291	817	1,748	1,306
373,941	716,710	514,256	49,346	41,523	202,837
\$ 395,819	\$ 726,586	\$ 514,547	\$ 50,163	\$ 43,271	\$ 204,143

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

For the Year Ended June 30, 2014

	2012A Bond Debt Service Fund  (SHARE 30850)	2014A Bond Debt Service Fund  (SHARE 11960)	Total Debt Service Funds	Total Non Major Governmental Funds
<b>Revenues:</b>				
User and fuel taxes	\$ -	\$ -	\$ -	\$ 25,752,443
U.S. Department of Transportation	-	-	-	26,251,817
Fees and fines	-	-	-	68,882
Licenses and permits	-	-	-	11,977,164
Charges for services	-	-	-	-
Other revenue	-	-	-	50,538,077
Interest earnings	334	14	2,013,904	2,060,557
<b>Total Revenues</b>	<b>334</b>	<b>14</b>	<b>2,013,904</b>	<b>116,648,940</b>
<b>Expenditures:</b>				
Current:				
Operating costs	-	-	-	41,217
Personal services	-	-	-	1,175,285
Out-of-state travel	-	-	-	7,179
Grants and services	-	-	-	50,010,775
Travel	-	-	-	4,876
Maintenance and repairs	-	-	-	10,253
Supplies	-	-	-	57,459
Contractual services	-	-	-	33,394,195
Other costs	-	-	842,638	1,055,939
Employee benefits	-	-	-	420,401
Capital outlay	-	-	-	31,082,037
Debt service:				
Principal	-	-	29,740,000	34,809,300
Interest	-	-	1,704,781	4,385,103
Debt issuance costs	-	221,111	221,111	221,111
<b>Total Expenditures</b>	<b>-</b>	<b>221,111</b>	<b>32,508,530</b>	<b>156,675,130</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>334</b>	<b>(221,097)</b>	<b>(30,494,626)</b>	<b>(40,026,190)</b>
<b>Other Financing Sources (Uses):</b>				
Appropriations, net of reversions	-	-	-	(98,813)
Transfers: severance	-	-	-	17,602,500
tax bond appropriation	-	-	-	50,122
Transfers from (to) other agencies	-	(249,878)	(249,878)	6,055,078
Transfers: intra-agency	-	-	-	-
Face value of debentures payable	-	-	-	-
Premiums of debentures payable	-	642,347	642,347	642,347
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>392,469</b>	<b>392,469</b>	<b>24,251,234</b>
<b>Net Changes in Fund Balance</b>	<b>334</b>	<b>171,372</b>	<b>(30,102,157)</b>	<b>(15,774,956)</b>
<b>Fund Balance, June 30, 2013</b>	<b>64,794</b>	<b>-</b>	<b>46,113,621</b>	<b>137,225,104</b>
<b>Fund Balance, June 30, 2014</b>	<b>\$ 65,128</b>	<b>\$ 171,372</b>	<b>\$ 16,011,464</b>	<b>\$ 121,450,148</b>

See Independent Auditors' Report

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

For the Year Ended June 30, 2014	DEPARTMENT OF TRANSPORTATION			
	agency wide including enterprise fund excluding multi-year funds			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ 407,425,600	\$ 476,425,600	\$ 399,120,916	\$ (77,304,684)
Other state funds	422,456,200	422,456,200	424,058,079	1,601,879
Transfers outside the agency	-	3,742,958	300,000	(3,442,958)
Interest revenue	278,000	278,000	2,144,257	1,866,257
Bond proceeds	-	642,347	642,347	-
<b>Total Revenues and Other Financing Sources:</b>	<b>830,159,800</b>	<b>903,545,105</b>	<b>826,265,599</b>	<b>\$ (77,279,506)</b>
<b>Prior Year Funds Rebudgeted</b>	<b>360,154,981</b>	<b>428,083,000</b>		
	<b>\$ 1,190,314,781</b>	<b>\$ 1,331,628,105</b>		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
Programs and Infrastructure:				
Personal services/employee benefits	\$ 25,611,900	\$ 25,174,400	\$ 24,107,488	\$ 1,066,912
Contractual services	597,427,045	681,877,045	324,377,389	357,499,656
Other	226,885,535	261,106,646	215,265,572	45,841,074
Transfers (in) out	-	1,711,682	253,406	1,458,276
	<b>849,924,480</b>	<b>969,869,773</b>	<b>564,003,855</b>	<b>405,865,918</b>
Transportation and Highway Ops:				
Personal services/employee benefits	95,524,400	96,625,897	96,634,298	(8,401)
Contractual services	74,851,404	87,041,734	72,592,116	14,449,618
Other	121,408,497	130,098,698	109,063,490	21,035,208
	<b>291,784,301</b>	<b>313,766,329</b>	<b>278,289,904</b>	<b>35,476,425</b>
Program Support:				
Personal services/employee benefits	23,793,000	23,179,003	22,999,674	179,329
Contractual services	5,115,400	5,115,400	2,577,351	2,538,049
Other	13,853,300	13,853,300	12,189,605	1,663,695
Transfers (in) out	5,844,300	5,844,300	7,935,218	(2,090,918)
	<b>48,606,000</b>	<b>47,992,003</b>	<b>45,701,848</b>	<b>2,290,155</b>
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	<b>\$ 1,190,314,781</b>	<b>\$ 1,331,628,105</b>	<b>887,995,607</b>	<b>\$ 443,632,498</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
<b>Expenditures and Other Financing Sources and Uses</b>			<b>\$ (61,730,008)</b>	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds.  
The Department is compliant with budgets at the P-code level.  
See Independent Auditors' Report

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

For the Year Ended June 30, 2014

	FEDERAL TRAFFIC SAFETY FUND (SHARE 10010)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ 15,742,400	\$ 15,742,400	\$ 13,519,611	\$ (2,222,789)
Other state funds	-	-	32,552	32,552
Interest revenue	-	-	-	-
<b>Total Revenues and Other Financing Sources:</b>	<u>15,742,400</u>	<u>15,742,400</u>	<u>13,552,163</u>	<u>\$ (2,190,237)</u>
<b>Prior Year Funds Rebudgeted</b>	4,662,869	4,662,869		
	<u>\$ 20,405,269</u>	<u>\$ 20,405,269</u>		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
<b>Programs and Infrastructure</b>				
Personal services/employee benefits	\$ 745,800	\$ 745,800	\$ 660,307	\$ 85,493
Contractual services	-	-	-	-
Other	19,659,469	19,659,469	10,832,409	8,827,060
Transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	<u>20,405,269</u>	<u>20,405,269</u>	<u>11,492,716</u>	<u>8,912,553</u>
<b>Transportation and Highway Ops:</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Program Support</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	<u>\$ 20,405,269</u>	<u>\$ 20,405,269</u>	<u>11,492,716</u>	<u>\$ 8,912,553</u>
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
<b>Expenditures and Other Financing Sources and Uses</b>			<u>\$ 2,059,447</u>	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds.  
The Department is compliant with budgets at the P-code level.

**See Independent Auditors' Report**

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

For the Year Ended June 30, 2014

	DRIVER IMPROVEMENT FUND (SHARE 10020)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	330,000	330,000	268,953	(61,047)
Interest revenue	-	-	-	-
<b>Total Revenues and Other Financing Sources:</b>	<u>330,000</u>	<u>330,000</u>	<u>268,953</u>	<u>\$ (61,047)</u>
<b>Prior Year Funds Rebudgeted</b>	133,797	133,797		
	<u>\$ 463,797</u>	<u>\$ 463,797</u>		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
<b>Programs and Infrastructure</b>				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	463,797	463,797	338,672	125,125
Transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	<u>463,797</u>	<u>463,797</u>	<u>338,672</u>	<u>125,125</u>
<b>Transportation and Highway Ops:</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Program Support</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	<u>\$ 463,797</u>	<u>\$ 463,797</u>	<u>338,672</u>	<u>\$ 125,125</u>
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
<b>Expenditures and Other Financing Sources and Uses</b>			<u>\$ (69,719)</u>	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds.  
The Department is compliant with budgets at the P-code level.

**See Independent Auditors' Report**

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

For the Year Ended June 30, 2014

	MOTORCYCLE TRAINING FUND (SHARE 20600)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	130,000	130,000	133,444	3,444
Interest revenue	-	-	82	82
<b>Total Revenues and Other Financing Sources:</b>	<u>130,000</u>	<u>130,000</u>	<u>133,526</u>	<u>\$ 3,526</u>
<b>Prior Year Funds Rebudgeted</b>	96,170	96,170		
	<u>\$ 226,170</u>	<u>\$ 226,170</u>		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
<b>Programs and Infrastructure</b>				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	226,170	226,170	96,326	129,844
Transfers (in) out	-	-	3,529	(3,529)
Reversions	-	-	-	-
	<u>226,170</u>	<u>226,170</u>	<u>99,855</u>	<u>126,315</u>
<b>Transportation and Highway Ops:</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Program Support</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	<u>\$ 226,170</u>	<u>\$ 226,170</u>	<u>99,855</u>	<u>\$ 126,315</u>
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
<b>Expenditures and Other Financing Sources and Uses</b>			<u>\$ 33,671</u>	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds. The Department is compliant with budgets at the P-code level.

**See Independent Auditors' Report**

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

For the Year Ended June 30, 2014

	DWI PREVENTION AND EDUCATION FUND (SHARE 20700)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	500,000	500,000	517,046	17,046
Interest revenue	-	-	-	-
<b>Total Revenues and Other Financing Sources:</b>	<u>500,000</u>	<u>500,000</u>	<u>517,046</u>	<u>\$ 17,046</u>
<b>Prior Year Funds Rebudgeted</b>	821,809	821,809		
	<u>\$ 1,321,809</u>	<u>\$ 1,321,809</u>		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
<b>Programs and Infrastructure</b>				
Personal services/employee benefits	\$ 80,900	\$ 80,900	\$ -	\$ 80,900
Contractual services	-	-	-	-
Other	1,240,909	1,240,909	470,020	770,889
Transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	<u>1,321,809</u>	<u>1,321,809</u>	<u>470,020</u>	<u>851,789</u>
<b>Transportation and Highway Ops:</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Program Support</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	<u>\$ 1,321,809</u>	<u>\$ 1,321,809</u>	<u>470,020</u>	<u>\$ 851,789</u>
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
<b>Expenditures and Other Financing Sources and Uses</b>			<u>\$ 47,026</u>	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds.  
The Department is compliant with budgets at the P-code level.

**See Independent Auditors' Report**



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

For the Year Ended June 30, 2014

	TRAFFIC SAFETY FUND (SHARE 20800)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	1,350,000	1,350,000	1,046,485	(303,515)
Interest revenue	4,000	4,000	505	(3,495)
<b>Total Revenues and Other Financing Sources:</b>	<u>1,354,000</u>	<u>1,354,000</u>	<u>1,046,990</u>	<u>\$ (307,010)</u>
<b>Prior Year Funds Rebudgeted</b>	562,601	562,601		
	<u>\$ 1,916,601</u>	<u>\$ 1,916,601</u>		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
<b>Programs and Infrastructure</b>				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	1,916,601	1,916,601	1,364,026	552,575
Transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	<u>1,916,601</u>	<u>1,916,601</u>	<u>1,364,026</u>	<u>552,575</u>
<b>Transportation and Highway Ops:</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Program Support</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	<u>\$ 1,916,601</u>	<u>\$ 1,916,601</u>	<u>1,364,026</u>	<u>\$ 552,575</u>
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
<b>Expenditures and Other Financing Sources and Uses</b>			<u>\$ (317,036)</u>	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds. The Department is compliant with budgets at the P-code level.

**See Independent Auditors' Report**

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

For the Year Ended June 30, 2014

	IGNITION INTERLOCK FUND (SHARE 82600)			
	Budgeted Amounts		Actual	
	Original	Final	Amounts (Modified Accrual)	Variance Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	800,000	800,000	511,416	(288,584)
Transfers outside the agency	-	-	300,000	300,000
<b>Total Revenues and Other Financing Sources:</b>	<u>800,000</u>	<u>800,000</u>	<u>811,416</u>	<u>\$ 11,416</u>
<b>Prior Year Funds Rebudgeted</b>	1,218,637	1,218,637		
	<u>\$ 2,018,637</u>	<u>\$ 2,018,637</u>		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
<b>Programs and Infrastructure</b>				
Personal services/employee benefits	\$ 58,000	\$ 58,000	\$ 56,134	\$ 1,866
Contractual services	-	-	-	-
Other	1,960,637	1,960,637	423,137	1,537,500
Transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	<u>2,018,637</u>	<u>2,018,637</u>	<u>479,271</u>	<u>1,539,366</u>
<b>Transportation and Highway Ops:</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Program Support</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	<u>\$ 2,018,637</u>	<u>\$ 2,018,637</u>	<u>479,271</u>	<u>\$ 1,539,366</u>
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
<b>Expenditures and Other Financing Sources and Uses</b>			<u>\$ 332,145</u>	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds.  
The Department is compliant with budgets at the P-code level.

**See Independent Auditors' Report**

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

For the Year Ended June 30, 2014

	FEDERAL PLANNING AND DEVELOPMENT FUND (SHARE 10030)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ 16,111,500	\$ 16,111,500	\$ 12,732,206	\$ (3,379,294)
Other state funds	-	-	84	84
Interest revenue	-	-	-	-
<b>Total Revenues and Other Financing Sources:</b>	<u>16,111,500</u>	<u>16,111,500</u>	<u>12,732,290</u>	<u>\$ (3,379,210)</u>
<b>Prior Year Funds Rebudgeted</b>	<u>7,242,239</u>	<u>7,242,239</u>		
	<u>\$ 23,353,739</u>	<u>\$ 23,353,739</u>		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
<b>Programs and Infrastructure</b>				
Personal services/employee benefits	\$ 456,500	\$ 456,500	\$ 435,605	\$ 20,895
Contractual services	-	-	-	-
Other	22,897,239	22,897,239	12,721,905	10,175,334
Transfers (in) out	-	-	(1,290,446)	1,290,446
Reversions	-	-	-	-
	<u>23,353,739</u>	<u>23,353,739</u>	<u>11,867,064</u>	<u>11,486,675</u>
<b>Transportation and Highway Ops:</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Program Support</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	<u>\$ 23,353,739</u>	<u>\$ 23,353,739</u>	<u>11,867,064</u>	<u>\$ 11,486,675</u>
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
<b>Expenditures and Other Financing Sources and Uses</b>			<u>\$ 865,226</u>	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds.  
The Department is compliant with budgets at the P-code level.

**See Independent Auditors' Report**

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

For the Year Ended June 30, 2014

	HIF BOND FUND (SHARE 20200)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	6,888,200	6,888,200	7,724,846	836,646
Interest revenue	29,000	29,000	7,322	(21,678)
<b>Total Revenues and Other Financing Sources:</b>	<u>6,917,200</u>	<u>6,917,200</u>	<u>7,732,168</u>	<u>\$ 814,968</u>
<b>Prior Year Funds Rebudgeted</b>	-	1,000,000		
	<u>\$ 6,917,200</u>	<u>\$ 7,917,200</u>		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
<b>Programs and Infrastructure</b>				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	6,917,200	7,917,200	7,749,922	167,278
Transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	<u>6,917,200</u>	<u>7,917,200</u>	<u>7,749,922</u>	<u>167,278</u>
<b>Transportation and Highway Ops:</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Program Support</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	<u>\$ 6,917,200</u>	<u>\$ 7,917,200</u>	<u>7,749,922</u>	<u>\$ 167,278</u>
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
<b>Expenditures and Other Financing Sources and Uses</b>			<u>\$ (17,754)</u>	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds.  
The Department is compliant with budgets at the P-code level.

**See Independent Auditors' Report**

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

For the Year Ended June 30, 2014

	LOCAL GOVERNMENT ROAD FUND (SHARE 20300)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	22,260,000	22,260,000	21,539,415	(720,585)
Interest revenue	53,000	53,000	14,546	(38,454)
<b>Total Revenues and Other Financing Sources:</b>	<u>22,313,000</u>	<u>22,313,000</u>	<u>21,553,961</u>	<u>\$ (759,039)</u>
<b>Prior Year Funds Rebudgeted</b>	14,483,528	14,483,528		
	<u>\$ 36,796,528</u>	<u>\$ 36,796,528</u>		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
<b>Programs and Infrastructure</b>				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Transportation and Highway Ops:</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	36,796,528	36,796,528	19,060,381	17,736,147
	<u>36,796,528</u>	<u>36,796,528</u>	<u>19,060,381</u>	<u>17,736,147</u>
<b>Program Support</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	<u>\$ 36,796,528</u>	<u>\$ 36,796,528</u>	<u>19,060,381</u>	<u>\$ 17,736,147</u>
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
<b>Expenditures and Other Financing Sources and Uses</b>			<u>\$ 2,493,580</u>	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds.  
The Department is compliant with budgets at the P-code level.

**See Independent Auditors' Report**

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

For the Year Ended June 30, 2014

	STATE AVIATION FUND (SHARE 20500)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	5,698,000	5,698,000	6,101,953	403,953
Interest revenue	-	-	12,059	12,059
<b>Total Revenues and Other Financing Sources:</b>	<u>5,698,000</u>	<u>5,698,000</u>	<u>6,114,012</u>	<u>\$ 416,012</u>
<b>Prior Year Funds Rebudgeted</b>	<u>9,797,772</u>	<u>9,797,772</u>		
	<u>\$ 15,495,772</u>	<u>\$ 15,495,772</u>		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
<b>Programs and Infrastructure</b>				
Personal services/employee benefits	\$ 393,400	\$ 443,400	\$ 443,640	\$ (240)
Contractual services	1,559,750	1,509,750	887,856	621,894
Other	13,542,622	13,542,622	5,037,881	8,504,741
Transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	<u>15,495,772</u>	<u>15,495,772</u>	<u>6,369,377</u>	<u>9,126,395</u>
<b>Transportation and Highway Ops:</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Program Support</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	<u>\$ 15,495,772</u>	<u>\$ 15,495,772</u>	<u>6,369,377</u>	<u>\$ 9,126,395</u>
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
<b>Expenditures and Other Financing Sources and Uses</b>			<u>\$ (255,365)</u>	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds.  
The Department is compliant with budgets at the P-code level.

**See Independent Auditors' Report**

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

For the Year Ended June 30, 2014

	1993 BOND PROJECT FUND (SHARE 39400)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	1,142	1,142
<b>Total Revenues and Other Financing Sources:</b>	-	-	1,142	\$ 1,142
<b>Prior Year Funds Rebudgeted</b>	-	-		
	<b>\$ -</b>	<b>\$ -</b>		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
<b>Programs and Infrastructure</b>				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	-	-	-	-
<b>Transportation and Highway Ops:</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	-	-	-	-
<b>Program Support</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
	-	-	-	-
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
<b>Expenditures and Other Financing Sources and Uses</b>			<b>\$ 1,142</b>	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds. The Department is compliant with budgets at the P-code level.

**See Independent Auditors' Report**

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

For the Year Ended June 30, 2014

	1999A CHAT BOND PROJECT FUND (SHARE 43000)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	1,516	1,516
<b>Total Revenues and Other Financing Sources:</b>	-	-	1,516	\$ 1,516
<b>Prior Year Funds Rebudgeted</b>	-	-		
	<b>\$ -</b>	<b>\$ -</b>		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
<b>Programs and Infrastructure</b>				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	-	-	-	-
<b>Transportation and Highway Ops:</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	-	-	-	-
<b>Program Support</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
	-	-	-	-
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
Expenditures and Other Financing Sources and Uses			\$ 1,516	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds.  
The Department is compliant with budgets at the P-code level.

**See Independent Auditors' Report**



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

For the Year Ended June 30, 2014

	WIPP BOND PROJECT FUND (SHARE 43100)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	-	-
<b>Total Revenues and Other Financing Sources:</b>	-	-	-	\$ -
<b>Prior Year Funds Rebudgeted</b>	1,461,650	1,461,650		
	<b>\$ 1,461,650</b>	<b>\$ 1,461,650</b>		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	1,461,650	1,461,650	-	1,461,650
Other	-	-	-	-
Transfers (in) out	-	-	(2,669,367)	2,669,367
Reversions	-	-	-	-
	1,461,650	1,461,650	(2,669,367)	4,131,017
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	-	-	-	-
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
	-	-	-	-
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	<b>\$ 1,461,650</b>	<b>\$ 1,461,650</b>	<b>(2,669,367)</b>	<b>\$ 4,131,017</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
Expenditures and Other Financing Sources and Uses			<b>\$ 2,669,367</b>	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds. The Department is compliant with budgets at the P-code level.

See Independent Auditors' Report

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

For the Year Ended June 30, 2014

	2001A CHAT BOND PROJECT FUND (SHARE 00600)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	3,376	3,376
<b>Total Revenues and Other Financing Sources:</b>	-	-	3,376	\$ 3,376
<b>Prior Year Funds Rebudgeted</b>	-	-		
	<b>\$ -</b>	<b>\$ -</b>		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
<b>Programs and Infrastructure</b>				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	-	-	-	-
<b>Transportation and Highway Ops:</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	-	-	-	-
<b>Program Support</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
	-	-	-	-
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
Expenditures and Other Financing Sources and Uses			<u>\$ 3,376</u>	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds. The Department is compliant with budgets at the P-code level.

**See Independent Auditors' Report**

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

For the Year Ended June 30, 2014

	2002C HIF BOND PROJECT FUND (SHARE 36100)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	934	934
<b>Total Revenues and Other Financing Sources:</b>	-	-	934	\$ 934
<b>Prior Year Funds Rebudgeted</b>	-	-		
	<b>\$ -</b>	<b>\$ -</b>		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
<b>Programs and Infrastructure</b>				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
Reversions	-	-	-	-
<b>Transportation and Highway Ops:</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
<b>Program Support</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
<b>Expenditures and Other Financing Sources and Uses</b>			<b>\$ 934</b>	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds. The Department is compliant with budgets at the P-code level.

**See Independent Auditors' Report**

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

For the Year Ended June 30, 2014

	2002D CHAT BOND PROJECT FUND (SHARE 11500)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	456	456
<b>Total Revenues and Other Financing Sources:</b>	-	-	456	\$ 456
<b>Prior Year Funds Rebudgeted</b>	-	-		
	<b>\$ -</b>	<b>\$ -</b>		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
<b>Programs and Infrastructure</b>				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	-	-	-	-
<b>Transportation and Highway Ops:</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	-	-	-	-
<b>Program Support</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
	-	-	-	-
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
<b>Expenditures and Other Financing Sources and Uses</b>			<b>\$ 456</b>	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds. The Department is compliant with budgets at the P-code level.

**See Independent Auditors' Report**

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

For the Year Ended June 30, 2014

	2004A GRIP BOND PROJECT FUND (SHARE 20400)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	-	-
<b>Total Revenues and Other Financing Sources:</b>	-	-	-	\$ -
<b>Prior Year Funds Rebudgeted</b>	-	-		
	<b>\$ -</b>	<b>\$ -</b>		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
Reversions	-	-	-	-
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	<b>\$ -</b>	<b>\$ -</b>	-	<b>\$ -</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
Expenditures and Other Financing Sources and Uses			<b>\$ -</b>	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds. The Department is compliant with budgets at the P-code level.

**See Independent Auditors' Report**

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

For the Year Ended June 30, 2014

	2006A GRIP BOND PROJECT FUND (SHARE 10210)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	25	25
<b>Total Revenues and Other Financing Sources:</b>	-	-	25	\$ 25
<b>Prior Year Funds Rebudgeted</b>	-	-		
	\$ -	\$ -		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
<b>Programs and Infrastructure</b>				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
Reversions	-	-	-	-
<b>Transportation and Highway Ops:</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
<b>Program Support</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	\$ -	\$ -	-	\$ -
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
<b>Expenditures and Other Financing Sources and Uses</b>			\$ 25	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds.  
The Department is compliant with budgets at the P-code level.

**See Independent Auditors' Report**

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

For the Year Ended June 30, 2014

	2006B GRIP BOND PROJECT FUND (SHARE 10230)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	2	2
<b>Total Revenues and Other Financing Sources:</b>	-	-	2	\$ 2
<b>Prior Year Funds Rebudgeted</b>	-	-		
	\$ -	\$ -		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
<b>Programs and Infrastructure</b>				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
Reversions	-	-	-	-
<b>Transportation and Highway Ops:</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
<b>Program Support</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	\$ -	\$ -	-	\$ -
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
Expenditures and Other Financing Sources and Uses			\$ 2	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds.  
The Department is compliant with budgets at the P-code level.  
**See Independent Auditors' Report**

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

For the Year Ended June 30, 2014

	2006C GRIP BOND PROJECT FUND (SHARE 10250)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	28	28
<b>Total Revenues and Other Financing Sources:</b>	-	-	28	\$ 28
<b>Prior Year Funds Rebudgeted</b>	-	-		
	\$ -	\$ -		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
<b>Programs and Infrastructure</b>				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
Reversions	-	-	-	-
<b>Transportation and Highway Ops:</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
<b>Program Support</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	\$ -	\$ -	-	\$ -
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
<b>Expenditures and Other Financing Sources and Uses</b>			\$ 28	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds. The Department is compliant with budgets at the P-code level.

**See Independent Auditors' Report**



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

For the Year Ended June 30, 2014

	2006D GRIP BOND PROJECT FUND (SHARE 10270)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	-	-
<b>Total Revenues and Other Financing Sources:</b>	-	-	-	\$ -
<b>Prior Year Funds Rebudgeted</b>	-	-		
	<b>\$ -</b>	<b>\$ -</b>		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
<b>Programs and Infrastructure</b>				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
Reversions	-	-	-	-
<b>Transportation and Highway Ops:</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
<b>Program Support</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
<b>Expenditures and Other Financing Sources and Uses</b>			<b>\$ -</b>	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds. The Department is compliant with budgets at the P-code level.

**See Independent Auditors' Report**

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

For the Year Ended June 30, 2014

	2010A BOND PROJECT FUND (SHARE 10450)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	17,477	17,477
Interest revenue	-	-	4,660	4,660
<b>Total Revenues and Other Financing Sources:</b>	-	-	22,137	\$ 22,137
<b>Prior Year Funds Rebudgeted</b>	-	-		
	\$ -	\$ -		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
<b>Programs and Infrastructure</b>				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	16,008,344	(16,008,344)
Other	-	-	-	-
Transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	-	-	16,008,344	(16,008,344)
<b>Transportation and Highway Ops:</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	-	-	-	-
<b>Program Support</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
	-	-	-	-
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	\$ -	\$ -	16,008,344	\$ (16,008,344)
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
<b>Expenditures and Other Financing Sources and Uses</b>			\$ (15,986,207)	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds. The Department is compliant with budgets at the P-code level.

**See Independent Auditors' Report**

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

For the Year Ended June 30, 2014

	1998A WIPP BOND DEBT SERVICE (SHARE 97200)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	11	11
<b>Total Revenues and Other Financing Sources:</b>	-	-	11	\$ 11
<b>Prior Year Funds Rebudgeted</b>	-	-		
	<b>\$ -</b>	<b>\$ -</b>		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
<b>Programs and Infrastructure</b>				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	-	-	-	-
<b>Transportation and Highway Ops:</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	-	-	-	-
<b>Program Support</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
	-	-	-	-
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
<b>Expenditures and Other Financing Sources and Uses</b>			<b>\$ 11</b>	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds.  
The Department is compliant with budgets at the P-code level.

**See Independent Auditors' Report**

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

For the Year Ended June 30, 2014

	1998A CHAT BOND DEBT SERVICE (SHARE 54800)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	100	100
<b>Total Revenues and Other Financing Sources:</b>	-	-	100	\$ 100
<b>Prior Year Funds Rebudgeted</b>	-	-		
	<b>\$ -</b>	<b>\$ -</b>		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
<b>Programs and Infrastructure</b>				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	-	-	-	-
<b>Transportation and Highway Ops:</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	-	-	-	-
<b>Program Support</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
	-	-	-	-
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
Expenditures and Other Financing Sources and Uses			\$ 100	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds. The Department is compliant with budgets at the P-code level.

**See Independent Auditors' Report**

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

For the Year Ended June 30, 2014

	1999 CHAT BOND DEBT SERVICE (SHARE 43400)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	190	190
<b>Total Revenues and Other Financing Sources:</b>	-	-	190	\$ 190
<b>Prior Year Funds Rebudgeted</b>	-	-		
	<b>\$ -</b>	<b>\$ -</b>		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
<b>Programs and Infrastructure</b>				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	-	-	-	-
<b>Transportation and Highway Ops:</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	-	-	-	-
<b>Program Support</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
	-	-	-	-
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
<b>Expenditures and Other Financing Sources and Uses</b>			<b>\$ 190</b>	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds. The Department is compliant with budgets at the P-code level.

**See Independent Auditors' Report**

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

For the Year Ended June 30, 2014

	2000 CHAT BOND DEBT SERVICE (SHARE 43200)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	147	147
<b>Total Revenues and Other Financing Sources:</b>	-	-	147	\$ 147
<b>Prior Year Funds Rebudgeted</b>	-	-		
	<b>\$ -</b>	<b>\$ -</b>		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
<b>Programs and Infrastructure</b>				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	-	-	-	-
<b>Transportation and Highway Ops:</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	-	-	-	-
<b>Program Support</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
	-	-	-	-
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
<b>Expenditures and Other Financing Sources and Uses</b>			<b>\$ 147</b>	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds. The Department is compliant with budgets at the P-code level.

**See Independent Auditors' Report**

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

For the Year Ended June 30, 2014

	2001A CHAT BOND DEBT SERVICE (SHARE 00700)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	167	167
<b>Total Revenues and Other Financing Sources:</b>	-	-	167	\$ 167
<b>Prior Year Funds Rebudgeted</b>	-	-		
	<b>\$ -</b>	<b>\$ -</b>		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
<b>Programs and Infrastructure</b>				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	-	-	-	-
<b>Transportation and Highway Ops:</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	-	-	-	-
<b>Program Support</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
	-	-	-	-
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
<b>Expenditures and Other Financing Sources and Uses</b>			<b>\$ 167</b>	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds.  
The Department is compliant with budgets at the P-code level.  
**See Independent Auditors' Report**

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

For the Year Ended June 30, 2014

	2002A CHAT BOND DEBT SERVICE (SHARE 54700)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	61	61
<b>Total Revenues and Other Financing Sources:</b>	-	-	61	\$ 61
<b>Prior Year Funds Rebudgeted</b>	-	-		
	<b>\$ -</b>	<b>\$ -</b>		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
<b>Programs and Infrastructure</b>				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	-	-	-	-
<b>Transportation and Highway Ops:</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	-	-	-	-
<b>Program Support</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
	-	-	-	-
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
<b>Expenditures and Other Financing Sources and Uses</b>			<b>\$ 61</b>	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds. The Department is compliant with budgets at the P-code level.

**See Independent Auditors' Report**



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

For the Year Ended June 30, 2014

	2002B WIPP BOND DEBT SERVICE (SHARE 75000)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	78	78
<b>Total Revenues and Other Financing Sources:</b>	-	-	78	\$ 78
<b>Prior Year Funds Rebudgeted</b>	-	-		
	\$ -	\$ -		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
<b>Programs and Infrastructure</b>				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
Reversions	-	-	-	-
<b>Transportation and Highway Ops:</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
<b>Program Support</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	\$ -	\$ -	-	\$ -
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources and Uses</b>			\$ 78	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds. The Department is compliant with budgets at the P-code level.

**See Independent Auditors' Report**

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

For the Year Ended June 30, 2014

	2002C HIF BOND DEBT SERVICE (SHARE 36300)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	45	45
<b>Total Revenues and Other Financing Sources:</b>	-	-	45	\$ 45
<b>Prior Year Funds Rebudgeted</b>	-	-		
	\$ -	\$ -		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
<b>Programs and Infrastructure</b>				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
Reversions	-	-	-	-
<b>Transportation and Highway Ops:</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
<b>Program Support</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	\$ -	\$ -	-	\$ -
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
<b>Expenditures and Other Financing Sources and Uses</b>			\$ 45	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds.  
The Department is compliant with budgets at the P-code level.

**See Independent Auditors' Report**

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

For the Year Ended June 30, 2014

	2002D CHAT BOND DEBT SERVICE (SHARE 18700)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	10	10
<b>Total Revenues and Other Financing Sources:</b>	-	-	10	\$ 10
<b>Prior Year Funds Rebudgeted</b>	-	-		
	<b>\$ -</b>	<b>\$ -</b>		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
<b>Programs and Infrastructure</b>				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	-	-	-	-
<b>Transportation and Highway Ops:</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	-	-	-	-
<b>Program Support</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
	-	-	-	-
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
Expenditures and Other Financing Sources and Uses			\$ 10	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds. The Department is compliant with budgets at the P-code level.

**See Independent Auditors' Report**

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

For the Year Ended June 30, 2014

	2004A GRIP BOND DEBT SERVICE (SHARE 10080)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	1,589	1,589
<b>Total Revenues and Other Financing Sources:</b>	-	-	1,589	\$ 1,589
<b>Prior Year Funds Rebudgeted</b>	-	-		
	<b>\$ -</b>	<b>\$ -</b>		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
<b>Programs and Infrastructure</b>				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	-	-	-	-
<b>Transportation and Highway Ops:</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	-	-	-	-
<b>Program Support</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
	-	-	-	-
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
<b>Expenditures and Other Financing Sources and Uses</b>			<b>\$ 1,589</b>	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds.  
The Department is compliant with budgets at the P-code level.  
**See Independent Auditors' Report**

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

For the Year Ended June 30, 2014

	2004B GRIP BOND DEBT SERVICE (SHARE 10090)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	863,356	863,356
<b>Total Revenues and Other Financing Sources:</b>	-	-	863,356	\$ 863,356
<b>Prior Year Funds Rebudgeted</b>	-	33,000,000		
	\$ -	\$ 33,000,000		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
<b>Programs and Infrastructure</b>				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	33,000,000	31,223,400	1,776,600
Transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	-	33,000,000	31,223,400	1,776,600
<b>Transportation and Highway Ops:</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	-	-	-	-
<b>Program Support</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
	-	-	-	-
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	\$ -	\$ 33,000,000	31,223,400	\$ 1,776,600
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
<b>Expenditures and Other Financing Sources and Uses</b>			\$ (30,360,044)	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds.  
The Department is compliant with budgets at the P-code level.

**See Independent Auditors' Report**

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

For the Year Ended June 30, 2014

	2006A GRIP BOND DEBT SERVICE (SHARE 10220)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	227	227
<b>Total Revenues and Other Financing Sources:</b>	-	-	227	\$ 227
<b>Prior Year Funds Rebudgeted</b>	-	-		
	\$ -	\$ -		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
<b>Programs and Infrastructure</b>				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
Reversions	-	-	-	-
<b>Transportation and Highway Ops:</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
<b>Program Support</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	\$ -	\$ -	-	\$ -
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
<b>Expenditures and Other Financing Sources and Uses</b>			\$ 227	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds.  
The Department is compliant with budgets at the P-code level.

**See Independent Auditors' Report**

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

For the Year Ended June 30, 2014

	2006B GRIP BOND DEBT SERVICE (SHARE 10240)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	111	111
<b>Total Revenues and Other Financing Sources:</b>	-	-	111	\$ 111
<b>Prior Year Funds Rebudgeted</b>	-	-		
	<b>\$ -</b>	<b>\$ -</b>		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
<b>Programs and Infrastructure</b>				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	-	-	-	-
<b>Transportation and Highway Ops:</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	-	-	-	-
<b>Program Support</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
	-	-	-	-
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
<b>Expenditures and Other Financing Sources and Uses</b>			<b>\$ 111</b>	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds.  
The Department is compliant with budgets at the P-code level.  
**See Independent Auditors' Report**

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

For the Year Ended June 30, 2014

	2008A GRIP BOND DEBT SERVICE (SHARE 10410)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	143,067	143,067
<b>Total Revenues and Other Financing Sources:</b>	-	-	143,067	\$ 143,067
<b>Prior Year Funds Rebudgeted</b>	-	-		
	<b>\$ -</b>	<b>\$ -</b>		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
<b>Programs and Infrastructure</b>				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	95,538	(95,538)
Transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	-	-	95,538	(95,538)
<b>Transportation and Highway Ops:</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	-	-	-	-
<b>Program Support</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
	-	-	-	-
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	<b>\$ -</b>	<b>\$ -</b>	95,538	\$ (95,538)
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
Expenditures and Other Financing Sources and Uses			\$ 47,529	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds.  
The Department is compliant with budgets at the P-code level.  
**See Independent Auditors' Report**



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

For the Year Ended June 30, 2014

	2008B GRIP BOND DEBT SERVICE (SHARE 10420)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	895,236	895,236
<b>Total Revenues and Other Financing Sources:</b>	-	-	895,236	\$ 895,236
<b>Prior Year Funds Rebudgeted</b>	-	-		
	\$ -	\$ -		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
<b>Programs and Infrastructure</b>				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	873,358	(873,358)
Transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	-	-	873,358	(873,358)
<b>Transportation and Highway Ops:</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	-	-	-	-
<b>Program Support</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
	-	-	-	-
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	\$ -	\$ -	873,358	\$ (873,358)
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
Expenditures and Other Financing Sources and Uses			\$ 21,878	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds. The Department is compliant with budgets at the P-code level.

**See Independent Auditors' Report**

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

For the Year Ended June 30, 2014

	2008C GRIP BOND DEBT SERVICE (SHARE 10430)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	104,999	104,999
<b>Total Revenues and Other Financing Sources:</b>	-	-	104,999	\$ 104,999
<b>Prior Year Funds Rebudgeted</b>	-	-		
	\$ -	\$ -		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
<b>Programs and Infrastructure</b>				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	95,123	(95,123)
Transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	-	-	95,123	(95,123)
<b>Transportation and Highway Ops:</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	-	-	-	-
<b>Program Support</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
	-	-	-	-
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	\$ -	\$ -	95,123	\$ (95,123)
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
<b>Expenditures and Other Financing Sources and Uses</b>			\$ 9,876	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds. The Department is compliant with budgets at the P-code level.

**See Independent Auditors' Report**

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

For the Year Ended June 30, 2014

	2008D GRIP BOND DEBT SERVICE (SHARE 10440)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	291	291
<b>Total Revenues and Other Financing Sources:</b>	-	-	291	\$ 291
<b>Prior Year Funds Rebudgeted</b>	-	-		
	<b>\$ -</b>	<b>\$ -</b>		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	-	-	-	-
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	-	-	-	-
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
	-	-	-	-
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
Expenditures and Other Financing Sources and Uses			\$ 291	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds. The Department is compliant with budgets at the P-code level.

**See Independent Auditors' Report**

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

For the Year Ended June 30, 2014

	2009A BOND DEBT SERVICE (SHARE 11130)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	817	817
<b>Total Revenues and Other Financing Sources:</b>	-	-	817	\$ 817
<b>Prior Year Funds Rebudgeted</b>	-	-		
	<b>\$ -</b>	<b>\$ -</b>		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
Reversions	-	-	-	-
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
Expenditures and Other Financing Sources and Uses			<u>\$ 817</u>	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds.  
The Department is compliant with budgets at the P-code level.

**See Independent Auditors' Report**

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

For the Year Ended June 30, 2014

	2010A BOND DEBT SERVICE (SHARE 11140)			
	Budgeted Amounts		Actual	
	Original	Final	Amounts (Modified Accrual)	Variance Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	1,748	1,748
<b>Total Revenues and Other Financing Sources:</b>	-	-	1,748	\$ 1,748
<b>Prior Year Funds Rebudgeted</b>	-	-		
	<b>\$ -</b>	<b>\$ -</b>		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
<b>Programs and Infrastructure</b>				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	-	-	-	-
<b>Transportation and Highway Ops:</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	-	-	-	-
<b>Program Support</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
	-	-	-	-
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
<b>Expenditures and Other Financing Sources and Uses</b>			<b>\$ 1,748</b>	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds. The Department is compliant with budgets at the P-code level.

**See Independent Auditors' Report**

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

For the Year Ended June 30, 2014

	2010B BOND DEBT SERVICE FUND (SHARE 20450)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	1,306	1,306
<b>Total Revenues and Other Financing Sources:</b>	-	-	1,306	\$ 1,306
<b>Prior Year Funds Rebudgeted</b>	-	-		
	\$ -	\$ -		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
<b>Programs and Infrastructure</b>				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
Reversions	-	-	-	-
<b>Transportation and Highway Ops:</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
<b>Program Support</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	\$ -	\$ -	-	\$ -
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
<b>Expenditures and Other Financing Sources and Uses</b>			\$ 1,306	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds.  
The Department is compliant with budgets at the P-code level.

**See Independent Auditors' Report**

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

For the Year Ended June 30, 2014

	2012A BOND DEBT SERVICE FUND (SHARE 30850)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	334	334
<b>Total Revenues and Other Financing Sources:</b>	-	-	334	\$ 334
<b>Prior Year Funds Rebudgeted</b>	-	-		
	\$ -	\$ -		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
<b>Programs and Infrastructure</b>				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
Reversions	-	-	-	-
<b>Transportation and Highway Ops:</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
<b>Program Support</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	\$ -	\$ -	-	\$ -
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
Expenditures and Other Financing Sources and Uses			\$ 334	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds. The Department is compliant with budgets at the P-code level.

**See Independent Auditors' Report**

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

For the Year Ended June 30, 2014

	2014A BOND DEBT SERVICE FUND (SHARE 11960)			
	Budgeted Amounts		Actual	
	Original	Final	Amounts (Modified Accrual)	Variance Over (Under)
<b>Revenues and other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Interest revenue	-	-	14	14
Bond proceeds	-	642,347	642,347	-
<b>Total Revenues and Other Financing Sources:</b>	-	642,347	642,361	\$ 14
<b>Prior Year Funds Rebudgeted</b>	-	-		
	<u>\$ -</u>	<u>\$ 642,347</u>		
<b>Expenditures and Other Financing Uses</b> - current and capital outlay:				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	221,111	221,111	-
Transfers (in) out	-	421,236	249,878	171,358
Reversions	-	-	-	-
	-	642,347	470,989	171,358
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	-	-	-	-
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
	-	-	-	-
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	<u>\$ -</u>	<u>\$ 642,347</u>	<u>470,989</u>	<u>\$ 171,358</u>
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
<b>Expenditures and Other Financing Sources and Uses</b>			<u>\$ 171,372</u>	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds.  
The Department is compliant with budgets at the P-code level.

See Independent Auditors' Report



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

For the Year Ended June 30, 2014

	STATE INFRASTRUCTURE BANK (SHARE 89300)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	14,915	14,915
<b>Total Revenues and Other Financing Sources:</b>	-	-	14,915	\$ 14,915
<b>Prior Year Funds Rebudgeted</b>	10,000,000	10,000,000		
	<b>\$ 10,000,000</b>	<b>\$ 10,000,000</b>		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
<b>Programs and Infrastructure</b>				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	10,000,000	10,000,000	-	10,000,000
Other	-	-	-	-
Transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	10,000,000	10,000,000	-	10,000,000
<b>Transportation and Highway Ops:</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	-	-	-	-
<b>Program Support</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
	-	-	-	-
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	<b>\$ 10,000,000</b>	<b>\$ 10,000,000</b>	-	<b>\$ 10,000,000</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
<b>Expenditures and Other Financing Sources and Uses</b>			<b>\$ 14,915</b>	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds.  
The Department is compliant with budgets at the P-code level.

**See Independent Auditors' Report**

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

For the Year Ended June 30, 2014

	CAPITAL PROJECTS FUND (SHARE 10050)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	50,442,895	50,442,895
Transfers outside the agency	-	50,442,894	-	(50,442,894)
Interest revenue	-	-	-	-
<b>Total Revenues and Other Financing Sources:</b>	-	50,442,894	50,442,895	\$ 1
<b>Prior Year Funds Rebudgeted</b>	-	-		
	<u>\$ -</u>	<u>\$ 50,442,894</u>		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
<b>Programs and Infrastructure</b>				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	50,442,894	30,433,412	20,009,482
Other	-	-	-	-
Transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	<u>-</u>	<u>50,442,894</u>	<u>30,433,412</u>	<u>20,009,482</u>
<b>Transportation and Highway Ops:</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	225,981	(225,981)
Other	-	-	311,661	(311,661)
	<u>-</u>	<u>-</u>	<u>537,642</u>	<u>(537,642)</u>
<b>Program Support</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	<u>\$ -</u>	<u>\$ 50,442,894</u>	<u>30,971,054</u>	<u>\$ 19,471,840</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources and Uses</b>			<u>\$ 19,471,841</u>	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds.  
The Department is compliant with budgets at the P-code level.

See Independent Auditors' Report

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

For the Year Ended June 30, 2014

	STB APPROPRIATIONS FUND (SHARE 10060)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Transfers outside the agency	-	-	998,889	998,889
<b>Total Revenues and Other Financing Sources:</b>	-	-	998,889	\$ 998,889
<b>Prior Year Funds Rebudgeted</b>	-	-		
	<u>\$ -</u>	<u>\$ -</u>		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	-	-	-	-
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	(2,218,994)	2,218,994
	-	-	(2,218,994)	2,218,994
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	-	-	-	-
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(2,218,994)</u>	<u>\$ 2,218,994</u>
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
<b>Expenditures and Other Financing Sources and Uses</b>			<u>\$ 3,217,883</u>	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds.  
The Department is compliant with budgets at the P-code level.

See Independent Auditors' Report

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

For the Year Ended June 30, 2014

	GENERAL FUND APPROPRIATIONS FUND (SHARE 10070)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Interest revenue	-	-	-	-
<b>Total Revenues and Other Financing Sources:</b>	-	-	-	\$ -
<b>Prior Year Funds Rebudgeted</b>	-	-		
	<b>\$ -</b>	<b>\$ -</b>		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
<b>Programs and Infrastructure</b>				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
Reversions	-	-	-	-
<b>Transportation and Highway Ops:</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	1	(1)
Reversions	-	-	-	-
	-	-	1	(1)
<b>Program Support</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	-	-	-	-
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	<b>\$ -</b>	<b>\$ -</b>	1	<b>\$ (1)</b>
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
<b>Expenditures and Other Financing Sources and Uses</b>			<b>\$ (1)</b>	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds.  
The Department is compliant with budgets at the P-code level.

**See Independent Auditors' Report**

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

For the Year Ended June 30, 2014

	STB CAPITAL OUTLAY FUND (SHARE 89200)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Transfers outside the agency	-	-	16,603,611	16,603,611
<b>Total Revenues and Other Financing Sources:</b>	-	-	16,603,611	\$ 16,603,611
<b>Prior Year Funds Rebudgeted</b>	-	-		
	\$ -	\$ -		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
<b>Programs and Infrastructure</b>				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	-	-	-	-
<b>Transportation and Highway Ops:</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	16,542,811	(16,542,811)
Other	-	-	-	-
Transfers (in) out	-	-	120,200	(120,200)
	-	-	16,663,011	(16,663,011)
<b>Program Support</b>				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	-	-	-	-
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	\$ -	\$ -	16,663,011	\$ (16,663,011)
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
<b>Expenditures and Other Financing Sources and Uses</b>			\$ (59,400)	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds.  
The Department is compliant with budgets at the P-code level.

See Independent Auditors' Report

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

For the Year Ended June 30, 2014

	GF CAPITAL OUTLAY FUND (SHARE 93100)			
	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts (Modified Accrual)	Over (Under)
<b>Revenues and Other Financing Sources:</b>				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-
Transfers outside the agency	-	-	-	-
<b>Total Revenues and Other Financing Sources:</b>	-	-	-	\$ -
<b>Prior Year Funds Rebudgeted</b>	-	-		
	<u>\$ -</u>	<u>\$ -</u>		
<b>Expenditures and Other Financing Uses - current and capital outlay:</b>				
Programs and Infrastructure				
Personal services/employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Transfers (in) out	-	-	-	-
Reversions	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transportation and Highway Ops:				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	66,167	(66,167)
Other	-	-	2	(2)
Reversions	-	-	98,813	(98,813)
	<u>-</u>	<u>-</u>	<u>164,982</u>	<u>(164,982)</u>
Program Support				
Personal services/employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Annual Budgeted Expenditures and Other Financing Uses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>164,982</u>	<u>\$ (164,982)</u>
<b>Excess (Deficiency) of Revenues Over (Under)</b>				
<b>Expenditures and Other Financing Sources and Uses</b>			<u>\$ (164,982)</u>	

The legal level of budgetary compliance is at the appropriation program level at the entity-wide level, except for multiyear funds.  
The Department is compliant with budgets at the P-code level.

See Independent Auditors' Report

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

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**OTHER INFORMATION - SCHEDULES  
REQUIRED UNDER 2.2.2 NMAC**



**NEW MEXICO DEPARTMENT OF TRANSPORTATION**  
**Schedule of General Fund Components-Balance Sheet**

As of June 30, 2014

	<b>Departmental Services- Inventories Fund (SHARE 10040)</b>	<b>State Road Fund (SHARE 20100)</b>	<b>State Road Fund(s) (SHARE 10040 and 20100)</b>
<b>Assets:</b>			
Cash:			
Unrestricted	\$ -	\$ 2,100	\$ 2,100
Cash Equivalents: (investment in state general fund investment pool)			
Restricted	-	121,762,395	121,762,395
Managed by NMFA	-	65,032	65,032
Receivables:			
Accounts receivable, net	-	1,596,154	1,596,154
Other receivables	-	18,646	18,646
Due from:			
U.S. Department of Transportation	-	39,833,098	39,833,098
Other funds	863,366	7,092,206	7,955,572
Other state agencies	-	63,407,737	63,407,737
Inventories	14,726,136	-	14,726,136
Prepaid expenses - other	-	4,925	4,925
Prepaid expense - NM44 warranty	-	20,126,045	20,126,045
Property held for resale	-	9,007,214	9,007,214
<b>Total Assets</b>	<b>\$ 15,589,502</b>	<b>\$ 262,915,552</b>	<b>\$ 278,505,054</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 422,028	\$ 78,356,365	\$ 78,778,393
Due to:			
Other funds	64,058	3,007,537	3,071,595
Other state agencies	11,341,624	2,536	11,344,160
State general fund	-	101,301	101,301
Local governments	-	68,084	68,084
Other accrued expenses	-	2,944,063	2,944,063
Other liabilities	666,751	428,529	1,095,280
<b>Total Liabilities</b>	<b>12,494,461</b>	<b>84,908,415</b>	<b>97,402,876</b>
<b>Deferred Inflows of Resources:</b>			
Amounts unavailable (not received within period of availability)	-	4,689,291	4,689,291
<b>Total Deferred Inflows of Resources:</b>	<b>-</b>	<b>4,689,291</b>	<b>4,689,291</b>
<b>Fund Balance:</b>			
Non-spendable	14,726,136	29,138,184	43,864,320
Committed	-	144,179,662	144,179,662
Unassigned	(11,631,095)	-	(11,631,095)
<b>Total Fund Balance</b>	<b>3,095,041</b>	<b>173,317,846</b>	<b>176,412,887</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 15,589,502</b>	<b>\$ 262,915,552</b>	<b>\$ 278,505,054</b>

See Independent Auditors' Report

**NEW MEXICO DEPARTMENT OF TRANSPORTATION**  
**Schedule of General Fund Components-Statement of Revenues,**  
**Expenditures and Changes in Fund Balance**

For the Year Ended June 30, 2014

	Departmental Services- Inventories Fund (SHARE 10040)	State Road Fund (SHARE 20100)	State Road Fund(s) (SHARE 10040 and 20100)
<b>Revenues:</b>			
User and fuel taxes	\$ -	\$ 365,802,345	\$ 365,802,345
U.S. Department of Transportation	-	372,869,099	372,869,099
Licenses and permits	-	7,040,346	7,040,346
Charges for services	-	2,768,245	2,768,245
Other revenue	29,352	10,541,597	10,570,949
Interest earnings	-	80,924	80,924
<b>Total Revenues</b>	<u>29,352</u>	<u>759,102,556</u>	<u>759,131,908</u>
<b>Expenditures:</b>			
Current:			
Operating costs	-	10,886,437	10,886,437
Personal services	-	94,641,551	94,641,551
Out-of-state travel	-	109,972	109,972
Grants and services	-	2,376,164	2,376,164
Travel	-	20,703,893	20,703,893
Maintenance and repairs	-	9,900,307	9,900,307
Supplies	-	38,747,913	38,747,913
Contractual services	-	120,426,876	120,426,876
Other costs	-	4,261,748	4,261,748
Employee benefits	-	47,504,223	47,504,223
Capital outlay	-	298,692,981	298,692,981
Debt service:			
Principal	-	71,800,700	71,800,700
Interest	-	66,667,466	66,667,466
<b>Total Expenditures</b>	<u>-</u>	<u>786,720,231</u>	<u>786,720,231</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>29,352</u>	<u>(27,617,675)</u>	<u>(27,588,323)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers from (to) other agencies	-	(5,839,953)	(5,839,953)
Transfers: intra-agency	-	(6,055,078)	(6,055,078)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>(11,895,031)</u>	<u>(11,895,031)</u>
<b>Net Changes in Fund Balance</b>	<u>29,352</u>	<u>(39,512,706)</u>	<u>(39,483,354)</u>
<b>Fund Balance, June 30, 2013</b>	<u>3,065,689</u>	<u>212,830,552</u>	<u>215,896,241</u>
<b>Fund Balance, June 30, 2014</b>	<u>\$ 3,095,041</u>	<u>\$ 173,317,846</u>	<u>\$ 176,412,887</u>

See Independent Auditors' Report

**NEW MEXICO DEPARTMENT OF TRANSPORTATION**  
**Supplemental Schedule of Capital Projects**

As of June 30, 2014

	Budgeted Amounts		Current Year Expenditures
	Original	Final	
Expenditures for 2010 multi-year projects			
Capital outlay	\$ 350,000	\$ 350,000	\$ 225,981
Expenditures for 2011 multi-year projects			
Capital outlay	350,000	350,000	2,013
Expenditures for 2012 multi-year projects			
Capital outlay	350,000	350,000	309,648
Expenditures for 2014 multi-year projects			
Capital outlay	-	50,442,894	30,433,412
Total Expenditures	\$ 1,050,000	\$ 51,492,894	\$ 30,971,054

**See Independent Auditors' Report**

**NEW MEXICO DEPARTMENT OF TRANSPORTATION**  
**Supplemental Schedule of Capital Projects**

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Life-to-Date Outstanding Encumbrances	Total Actual	Prior Year Actual	Total Expenditures	Variance From Final Budget (Over) Under
\$ -	\$ 225,981	\$ 124,019	\$ 350,000	-
4,400	6,413	213,801	220,214	129,786
31,825	341,473	8,061	349,534	466
2,786,138	33,219,550	-	33,219,550	17,223,344
\$ 2,822,363	\$ 33,793,417	\$ 345,881	\$ 34,139,298	\$ 17,353,596

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### **Capital Projects Funds**

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. The appropriation was fully expended by the end of the 2014 fiscal year. The appropriation period is for 4 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 2016 fiscal year will revert to the State Road Fund. The appropriation period is for 4 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 2016 fiscal year will revert to the State Road Fund. The appropriation period is for 4 years unless re-authorized or extended by enabling legislation.

Under the Laws of 2012, HB 191, Section 27 and a capital budget adjustment (CBAR) approved by the State Transportation Commission in September of 2013. The Department received \$45,442,984 from the City of Albuquerque and \$5,000,000 from Bernalillo County as a local match towards the I-25 and Paseo Del Norte interchange reconstruction project.

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

As of June 30, 2014

Chapter	Laws	Bonds Appropriated	Bonds Sold	Amounts AIPP	Funds Reauthorized
9	2008	150,000,000	150,000,000	-	(6,887,242)
105	2010	-	-	-	8,635,000
183	2011	-	-	-	16,037
63	2012	-	-	-	188,941
64	2012	34,273,051	34,273,051	-	-
353	2012	-	-	-	247,500
3	2013	-	-	-	190,477
9	2013	-	-	-	6,887,242
92	2013	-	-	-	473,963
226	2013	11,683,070	11,683,070	-	-
66	2014	16,705,162	12,885,387	-	-
226	2014	638,000	638,000	-	-
		<u>\$ 213,299,283</u>	<u>\$ 209,479,508</u>	<u>\$ -</u>	<u>\$ 9,751,918</u>

See Independent Auditors' Report

**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
-	143,112,758	142,463,630	143,112,758	-	511,456
-	8,635,000	8,603,603	8,603,603	31,397	-
-	16,037	16,037	16,037	-	-
-	188,941	170,841	170,841	18,100	-
-	34,273,051	12,585,975	16,774,980	21,687,076	4,189,005
-	247,500	-	-	247,500	-
-	190,477	-	-	190,477	-
-	6,887,242	518,799	903,727	7,017,570	445,728
-	473,963	1,291	1,291	472,672	-
-	11,683,070	208,849	475,250	11,474,221	266,401
-	12,885,387	-	-	12,885,387	-
-	638,000	-	-	638,000	-
\$ -	\$ 219,231,426	\$ 164,569,025	\$ 170,058,487	\$ 54,662,400	\$ 5,412,590

Balance Available (Note 4)	\$ 54,662,400
Due from Board of Finance (Note 4)	5,412,590
Total	<u>\$ 60,074,990</u>

See Independent Auditors' Report



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

As of June 30, 2014

	<b>Appropriation Amount</b>	<b>Expenditures Inception to June 30, 2014</b>
<b>Special Revenue Funds</b>		
Laws of 2007 Special Session, Chapter 3	\$ 35,000,000	\$ 26,241,547
Laws of 2012, Chapter 63	-	33,073
Laws of 2013, Chapter 202	-	66,167
	35,000,000	26,340,787
<b>Capital Projects Funds</b>		
Laws of 2010 Special Session, Chapter 4	350,000	350,000
Laws of 2011, Chapter 5	350,000	215,814
Laws of 2012, Chapter 64	350,000	317,709
Laws of 2012, HB 191 Section 27 and CBAR 2013	50,442,894	30,433,412
	51,492,894	31,316,935
<b>Total all Fund Types</b>	<b>\$ 86,492,894</b>	<b>\$ 57,657,722</b>

\* 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, 2014	Re-appropriation Amount	Reversion Amount	Balance as of June 30, 2014
\$ -	\$ -	8,500,000	\$ 258,453
-	131,886	98,813	-
-	66,167	-	-
-	198,053	8,598,813	258,453
-	-	-	-
4,400	-	-	129,786
31,825	-	-	466
2,786,138	-	-	17,223,344
2,822,363	-	-	17,353,596
\$ 2,822,363	\$ 198,053	\$ 8,598,813	\$ 17,612,049

See Independent Auditors' Report

**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 2012, Chapters 63 the Department was reappropriated \$131,866 for highway maintenance and certain infrastructure projects and improvements, respectively. Any unexpended or unencumbered balance remaining at the end of the 2014 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 2013, Chapters 202 the Department was reappropriated \$66,167 for highway maintenance and certain infrastructure projects and improvements, respectively. Any unexpended or unencumbered balance remaining at the end of the 2015 fiscal year will revert to the State General Fund. The appropriation period is for 2 years unless re-authorized or extended by enabling legislation.

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

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**NEW MEXICO DEPARTMENT OF TRANSPORTATION  
Supplemental Schedule of Special Revenue - Bond Projects**

As of June 30, 2014

	Budgeted Amounts		Received Prior Year(s)	Received Current Year
	Original	Final		
<b>Special Revenue Funds</b>				
2010A Bond Project Fund	\$ 200,000,000	\$ 200,000,000	\$ 200,098,539	\$ 22,137
2014A Bond Project Fund	-	80,000,000	-	80,002,398
<b>Total all Fund Types</b>	<u>\$ 200,000,000</u>	<u>\$ 280,000,000</u>	<u>\$ 200,098,539</u>	<u>\$ 80,024,535</u>

**NEW MEXICO DEPARTMENT OF TRANSPORTATION  
Supplemental Schedule of Special Revenue - Bond Projects**

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Total Revenue	Variance From Final Budget Over (Under)	Expended Prior Year(s)	Expended Current Year	Total Expenditures	Variance From Final Budget (Over) Under
\$ 200,120,676	\$ 120,676	\$ 170,213,704	\$ 16,008,344	\$ 186,222,048	\$ 13,777,952
80,002,398	2,398			-	80,000,000
\$ 280,123,074	\$ 123,074	\$ 170,213,704	\$ 16,008,344	\$ 186,222,048	\$ 93,777,952

**NEW MEXICO DEPARTMENT OF TRANSPORTATION**  
**Supplemental Schedule of Individual Bank Accounts**

As of June 30, 2014

	Fund Number	Bank Balance	Book Balance	Book Total
<b>Cash</b>				
State Road Fund	Petty Cash 20100	\$ 2,600	\$ 2,100	
<b>Total Cash</b>				<u>\$ 2,100</u>
<b>(Restricted)</b>				
2001A CHAT Bond Project Fund	00600	\$ 4,737,841	\$ 4,737,841	
2001A CHAT Bond Debt Service Fund	00700	234,752	234,752	
Traffic Safety Fund(s)	10010, 10020, 20600, 20700, 20800, 82600	9,783,431	9,783,431	
State Road Fund(s)	10040, 10140, 20100, 82000	121,762,395	121,762,395	
Capital Projects Fund	10050	22,847,198	22,847,198	
General Fund Appropriations	10070	466,257	466,257	
2006A GRIP Bond Project Fund	10210	324,974	324,974	
2006B GRIP Bond Project Fund	10230	49,671	49,671	
2002D CHAT Bond Project Fund	11500	639,723	639,723	
2002D CHAT Bond Debt Service Fund	18700	12,862	12,862	
HIF Bond Fund	20200	10,075,346	10,075,346	
Local Government Road Fund	20300	22,250,610	22,250,610	
2004A GRIP Bond Project Fund	20400	112,078	112,078	
State Aviation Fund	20500	17,007,619	17,007,619	
2002C HIF Bond Project Fund	36100	1,309,468	1,309,468	
2002C HIF Bond Debt Service Fund	36300	62,499	62,499	
1993 Bond Project Fund	39400	1,601,278	1,601,278	
1999A CHAT Bond Project Fund	43000	2,126,588	2,126,588	
WIPP Bond Project Fund	43100	1,887,265	1,887,265	
2000 CHAT Bond Debt Service Fund	43200	204,933	204,933	
1999 CHAT Bond Debt Service Fund	43400	267,318	267,318	
2002A CHAT Bond Debt Service Fund	54700	83,920	83,920	
1998A CHAT Bond Debt Service Fund	54800	142,176	142,176	
2002B WIPP Bond Debt Service Fund	75000	111,379	111,379	
State Infrastructure Bank	89300	20,740,869	20,740,869	
GF Capital Outlay	93100	98,814	98,814	
1998A WIPP Bond Debt Service Fund	97200	14,570	14,570	
<b>Total Restricted</b>				<u>\$ 238,955,834</u>

See Independent Auditors' Report

**NEW MEXICO DEPARTMENT OF TRANSPORTATION**  
**Supplemental Schedule of Individual Bank Accounts**

	SHARE Account Number	Bank Balance	Book Balance	Book Total
<b>Managed by NMFA:</b>				
Wells Fargo, trustee account				
State Road Fund	20100	65,032	<u>65,032</u>	65,032
Bank of New York, trustee account				
2004A GRIP Bond Debt Service Fund	10080	511,801	511,801	
2004B GRIP Bond Debt Service Fund	10090	3,247,843	3,247,843	
2006A GRIP Bond Project Fund	10210	162,283	162,283	
2006A GRIP Bond Debt Service Fund	10220	34,335	34,335	
2006B GRIP Bond Project Fund	10230	10,386	10,386	
2006B GRIP Bond Debt Service Fund	10240	6,957	6,957	
2006C GRIP Bond Project Fund	10250	179,148	179,148	
2008A GRIP Bond Debt Service Fund	10410	5,011,289	5,011,289	
2008B GRIP Bond Debt Service Fund	10420	6,804,596	6,804,596	
2008C GRIP Bond Debt Service Fund	10430	1,735,646	1,735,646	
2008D GRIP Bond Debt Service Fund	10440	1,782,221	1,782,221	
2010A Bond Project Fund	10450	17,780,385	17,780,385	
2009A Bond Debt Service Fund	11130	50,116	50,116	
2010A/LOC Bond Debt Service Fund	11140	177,102	177,102	
2014A Bond Debt Service Fund	11960	171,368	171,368	
2014A Bond Project Fund	11970	80,001,750	80,001,750	
2010B GRIP Bond Debt Service Fund	20450	204,070	204,070	
2012A Bond Debt Service Fund	30850	65,721	<u>65,721</u>	117,937,017
<b>Total Managed by NMFA</b>				<u>\$ 118,002,049</u>



**NEW MEXICO DEPARTMENT OF TRANSPORTATION**  
**Supplemental Schedule of Pledged State Revenues**

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As of June 30, 2014

**Pledged State Revenues**

**Pledged User & Fuel Taxes**

Gasoline Excise	\$ 110,504,089
Motor Vehicle Registrations	76,217,962
Special Fuel	92,856,206
Vehicle Transaction	5,023,950
Drivers License	3,671,635
Oversize/Oversight Permit Fees	5,025,996
Trip (Mileage) Tax	4,666,152
Tire recycling fees	1,836,118
Weight/Distance Tax	75,366,712
<b>Total pledged user &amp; fuel taxes</b>	<u>375,168,820</u>

**Other Pledged Revenue**

Road fund interest income	79,576
HIF interest income	7,322
Leased Vehicles gross receipts tax	7,851,637
PRC fees	2,008,545
<b>Total other pledged revenue</b>	<u>9,947,080</u>

<b>Total Pledged State Revenues</b>	<u><u>\$ 385,115,900</u></u>
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**NEW MEXICO DEPARTMENT OF TRANSPORTATION**  
**Supplemental Schedule of Debt Service and Coverage**

As of June 30, 2014

	2004A-GRIP (SHARE 10080)	2004B-GRIP (SHARE 10090)	2006A-GRIP (SHARE 10220)	2006B-GRIP (SHARE 10240)
Gasoline Excise Taxes	\$ 9,208,674	\$ 9,208,674	\$ 9,208,674	\$ 9,208,674
Motor Vehicle Registration Fees	6,351,497	6,351,497	6,351,497	6,351,497
Special Fuel Excise Taxes	7,738,017	7,738,017	7,738,017	7,738,017
Vehicle Transaction Fees	418,663	418,663	418,663	418,663
Driver's License Fees	305,970	305,970	305,970	305,970
Oversize/Oversight Permit Fees	418,833	418,833	418,833	418,833
Public Regulation Commission Fees	167,379	167,379	167,379	167,379
Trip (Mileage) Tax	388,846	388,846	388,846	388,846
Weight/Distance Taxes	6,280,559	6,280,559	6,280,559	6,280,559
Leased Vehicle Gross Receipts Taxes	654,303	654,303	654,303	654,303
Tire Recycling Fees	153,010	153,010	153,010	153,010
FHWA Revenues	31,066,377	31,066,377	31,066,377	31,066,377
	63,152,128	63,152,128	63,152,128	63,152,128
Interest on Cash Balances*	7,242	7,242	7,242	7,242
<b>Total Pledged Revenues</b>				
<b>Received</b>	\$ 63,159,370	\$ 63,159,370	\$ 63,159,370	\$ 63,159,370

	2004A-GRIP	2004B-GRIP	2006A-GRIP	2006B-GRIP
Debt Service Principal Expenditures	\$ 19,360,000	\$ 29,740,000	\$ 255,000	\$ 1,320,000
Debt Service Interest Expenditures	4,162,767	1,483,400	4,152,412	1,188,261
<b>Total Debt Service</b>	\$ 23,522,767	\$ 31,223,400	\$ 4,407,412	\$ 2,508,261
<b>Debt Service Coverage</b>	2.69%	2.02%	14.33%	25.18%

\*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**

2008A-GRIP (SHARE 10410)	2008B-GRIP (SHARE 10420)	2008C-GRIP (SHARE 10430)	2009A Refunding (SHARE 11130)	2010A-GRIP (SHARE 11140)	2010B-GRIP (SHARE 20450)
\$ 9,208,674	\$ 9,208,674	\$ 9,208,674	\$ 9,208,674	\$ 9,208,674	\$ 9,208,674
6,351,497	6,351,497	6,351,497	6,351,497	6,351,497	6,351,497
7,738,017	7,738,017	7,738,017	7,738,017	7,738,017	7,738,017
418,663	418,663	418,663	418,663	418,663	418,663
305,970	305,970	305,970	305,970	305,970	305,970
418,833	418,833	418,833	418,833	418,833	418,833
167,379	167,379	167,379	167,379	167,379	167,379
388,846	388,846	388,846	388,846	388,846	388,846
6,280,559	6,280,559	6,280,559	6,280,559	6,280,559	6,280,559
654,303	654,303	654,303	654,303	654,303	654,303
153,010	153,010	153,010	153,010	153,010	153,010
31,066,377	31,066,377	31,066,377	31,066,377	31,066,377	31,066,377
63,152,128	63,152,128	63,152,128	63,152,128	63,152,128	63,152,128
7,242	7,242	7,242	7,242	7,242	7,242
\$ 63,159,370	\$ 63,159,370	\$ 63,159,370	\$ 63,159,370	\$ 63,159,370	\$ 63,159,370

2008A-GRIP	2008B-GRIP	2008C-GRIP	2009A Refunding	2010A-GRIP	2010B-GRIP
\$ -	\$ -	\$ -	\$ 11,075,000	\$ 38,225,000	\$ -
5,154,816	12,154,032	3,982,255	1,094,400	5,915,475	905,588
\$ 5,154,816	\$ 12,154,032	\$ 3,982,255	\$ 12,169,400	\$ 44,140,475	\$ 905,588
12.25%	5.20%	15.86%	5.19%	1.43%	69.74%

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

As of June 30, 2014

	<b>2012A Refunding</b> <b>(SHARE 30850)</b>	<b>2014A Revenue</b> <b>(SHARE 11960)</b>	<b>TOTAL</b>
Gasoline Excise Taxes	\$ 9,208,674	\$ 9,208,674	\$ 110,504,088
Motor Vehicle Registration Fees	6,351,497	6,351,497	76,217,964
Special Fuel Excise Taxes	7,738,017	7,738,017	92,856,204
Vehicle Transaction Fees	418,663	418,663	5,023,956
Driver's License Fees	305,970	305,970	3,671,640
Oversize/Oversight Permit Fees	418,833	418,833	5,025,996
Public Regulation Commission Fees	167,379	167,379	2,008,548
Trip (Mileage) Tax	388,846	388,846	4,666,152
Weight/Distance Taxes	6,280,559	6,280,559	75,366,708
Leased Vehicle Gross Receipts Taxes	654,303	654,303	7,851,636
Tire Recycling Fees	153,010	153,010	1,836,120
FHWA Revenues	31,066,377	31,066,377	372,796,524
<b>Subtotal</b>	<b>63,152,128</b>	<b>63,152,128</b>	<b>- 757,825,536</b>
Interest on Cash Balances*	7,242	7,242	86,904
<b>Total Pledged Revenues</b>			
<b>Received</b>	<b>\$ 63,159,370</b>	<b>\$ 63,159,370</b>	<b>\$ - 757,912,440</b>

	<b>2012A Refunding</b>	<b>2014A Revenue</b>	
Debt Service Principal Expenditures	\$ 6,635,000	\$ -	\$ 106,610,000
Debt Service Interest Expenditures	22,067,500	8,791,663	71,052,569
<b>Total Debt Service</b>	<b>\$ 28,702,500</b>	<b>\$ 8,791,663</b>	<b>\$ 177,662,569</b>
<b>Debt Service Coverage</b>	<b>2.20%</b>	<b>7.18%</b>	<b>4.27%</b>

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

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

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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.

<b>Contract Number</b>	<b>Contractor</b>	<b>Description</b>	<b>Expended in 2014</b>
J00810	PUEBLO DE SAN FELIPE	Reconstruction and Misc. improvements of BIA Rt. 1105/1106	\$ 80,833

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

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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						
3/3/2014	12/31/2014	\$ 107,777	75%	Contractor	Department		Department



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

Contract Number	Contractor	Description	Expended in 2014
M01235	GOOD SHEPHERD LUTHERAN CHURCH	PARK & RIDE USE OF PARKING LOT	\$ 6,200
M01238	USGS NATIONAL CENTER MS270	INVESTIGATION/FLOOD ANALYSIS	89,450
M01240	DEPARTMENT OF CULTURAL AFFAIRS	CULTURAL RESOURCES SERVICES	-
M01241	NEW MEXICO PASSENGER TRANSPORTATION ASSOCIATION	BUS & VAN ROAD-E-O	111,028
M01242	ALBUQUERQUE, CITY OF	BUS STOP IMPROVEMENTS	-
M01243	LIFE QUEST INC	PUBLIC TRANSPORTATION SERVICES	-
M01244	CITY OF GALLUP	PUBLIC TRANSPORTATION SERVICES	59,470
M01245	RIO METRO REGIONAL TRANSIT DISTRICT	BELEN to SANTA FE CORRIDOR	1,126,958
M01247	ALBUQUERQUE, CITY OF	FY13 CONGESTION MITIGATION	-
M01248	ALBUQUERQUE, CITY OF	FY14 CONGESTION MITIGATION	-
M01249	SANTA FE, CITY OF	PROMOTING RIDESHARING	57,279
M01250	ZIA THERAPY CTR INC	PUBLIC TRANSPORTATION SERVICES	458,024
M01251	CITY OF GALLUP	PUBLIC TRANSPORTATION SERVICES	177,572
M01252	NORTH CENTRAL REGIONAL TRANSIT DISTRICT	PUBLIC TRANSPORTATION SERVICE	1,476,628
M01253	RIO METRO REGIONAL TRANSIT DISTRICT	PUBLIC TRANSPORTATION SERVICES	-
M01254	RIO METRO REGIONAL TRANSIT DISTRICT	PUBLIC TRANSPORTATION SERVICES	1,093,904
M01255	GOLDEN SPREAD RURAL FRONTIER	PUBLIC TRANSPORTATION SERVICES	130,002
M01256	CLOVIS, CITY OF	PUBLIC TRANSPORTATION SERVICES	561,723
M01257	LAS VEGAS, CITY OF	PUBLIC TRANSPORTATION SERVICES	147,142
M01258	MILAN, VILLAGE OF	PUBLIC TRANSPORTATION SERVICES	168,446
M01259	ADELANTE DEVELOPMENT CENTER	PUBLIC TRANSPORTATION SERVICES	-
M01260	ARCA	PUBLIC TRANSPORTATION SERVICES	71,874
M01261	TRESCO INC	PUBLIC TRANSPORTATION SERVICES	-
M01262	BEN ARCHER HEALTH CENTER	PUBLIC TRANSPORTATION SERVICES	-
M01263	SANTA FE, CITY OF	AUTOMATED VEHICLE LOCATION	-
M01264	ROSWELL, CITY OF	PUBLIC TRANSPORTATION SERVICES	666,296
M01265	LA VIDA FELICIDAD INC	PUBLIC TRANSPORTATION SERVICES	-
M01266	HOBBS, CITY OF	PUBLIC TRANSPORTATION SERVICES	427,529
M01267	BEN ARCHER HEALTH CENTER	PUBLIC TRANSPORTATION SERVICES	130,886
M01267A	HATCH AREA MEDICAL CENTER FOUNDATION	PUBLIC TRANSPORTATION SERVICES	168,300
M01268	FAMILIES AND YOUTH INC	PUBLIC TRANSPORTATION SERVICES	-
M01269	ALBUQUERQUE, CITY OF	TRANSPORTATION DEMAND MANAGE	807,550
M01270	PORTALES, CITY OF	PUBLIC TRANSPORTATION SERVICES	141,553
M01271	EN SUENOS Y LOS ANGELITOS DEVELOPMENT	PUBLIC TRANSPORTATION SERVICES	-
M01272	PRESBYTERIAN MEDICAL SERVICES	PUBLIC TRANSPORTATION SERVICES	-

**See Independent Auditors' Report**

**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
7/1/2013	6/30/2014	\$ 9,000	100%	Contractor	Department		Department
10/1/2013	9/30/2014	119,266	50%	Contractor	Department		Department
6/25/2013	6/30/2017	100,000	100%	Contractor	Department		Department
7/8/2013	6/30/2014	107,800	100%	Contractor	Department		Department
7/11/2013	9/30/2014	550,000	85%	Contractor	Department		Department
7/17/2013	9/30/2013	40,869	80%	Contractor	Department		Department
7/30/2013	9/30/2013	191,600	80%	Contractor	Department		Department
8/12/2013	8/12/2033	4,400,000	100%	Contractor	Department		Department
8/31/2013	3/15/2014	351,124	80%	Contractor	Department		Department
9/1/2013	9/30/2014	585,206	80%	Contractor	Department		Department
7/2/2013	9/30/2014	84,004	80%	Contractor	Department		Department
9/10/2013	9/30/2014	608,324	80%	Contractor	Department		Department
9/11/2013	9/30/2014	366,131	80%	Contractor	Department		Department
9/6/2013	9/30/2014	1,483,068	80%	Contractor	Department		Department
9/12/2013	9/30/2014	211,200	80%	Contractor	Department		Department
9/13/2013	9/30/2014	1,180,192	80%	Contractor	Department		Department
9/6/2013	9/30/2014	130,242	80%	Contractor	Department		Department
9/13/2013	9/30/2014	591,896	80%	Contractor	Department		Department
9/13/2013	9/30/2014	204,875	80%	Contractor	Department		Department
9/16/2013	9/30/2014	159,816	80%	Contractor	Department		Department
9/9/2013	9/30/2014	184,036	80%	Contractor	Department		Department
9/11/2013	9/30/2014	177,030	80%	Contractor	Department		Department
9/18/2013	9/30/2014	170,400	80%	Contractor	Department		Department
9/6/2013	9/30/2014	65,600	80%	Contractor	Department		Department
9/23/2013	9/30/2014	52,000	75%	Contractor	Department		Department
9/9/2013	9/30/2014	865,102	80%	Contractor	Department		Department
9/16/2013	9/30/2014	65,629	80%	Contractor	Department		Department
9/16/2013	9/30/2014	447,022	80%	Contractor	Department		Department
9/7/2013	6/6/2014	65,443	80%	Contractor	Department		Department
6/6/2014	9/30/2014	75,129	80%	Contractor	Department		Department
9/24/2013	9/30/2014	57,600	80%	Contractor	Department		Department
9/27/2013	9/30/2014	807,550	80%	Contractor	Department		Department
9/27/2013	9/30/2014	183,393	80%	Contractor	Department		Department
9/12/2013	9/30/2014	26,800	80%	Contractor	Department		Department
9/19/2013	9/30/2014	36,464	80%	Contractor	Department		Department

**See Independent Auditors' Report**

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

<b>Contract Number</b>	<b>Contractor</b>	<b>Description</b>	<b>Expended in 2014</b>
M01273	PRESBYTERIAN MEDICAL SERVICES	PUBLIC TRANSPORTATION SERVICES	\$ -
M01274	COYOTE CANYON REHAB CTR INC	PUBLIC TRANSPORTATION SERVICES	-
M01275	SOCORRO, CITY OF	PUBLIC TRANSPORTATION SERVICES	103,566
M01276	RED RIVER, TOWN OF	PUBLIC TRANSPORTATION SERVICES	96,162
M01277	THE UNIVERSITY OF NEW MEXICO	STATE / REGIONAL FORECASTING	12,792
M01278	CARLSBAD, CITY OF	PUBLIC TRANSPORTATION SERVICES	361,077
M01279	TAOS, TOWN OF	PUBLIC TRANSPORTATION SERVICES	439,346
M01280	RIO METRO REGIONAL TRANSIT DISTRICT	FUNDING/ CAPITAL EQUIPMENT	-
M01281	CANOSSIANS-DAUGHTERS OF CHARITY	PUBLIC TRANSPORTATION SERVICES	-
M01282	NAVAJO NATION	PUBLIC TRANSPORTATION SERVICES	443,031
M01283	PRESBYTERIAN MEDICAL SERVICES	PUBLIC TRANSPORTATION SERVICES	-
M01284	LAS CRUCES, CITY OF	FUNDING / CAPITAL EQUIPMENT	-
M01285	LOS ALAMOS, COUNTY OF	PUBLIC TRANSPORTATION SERVICES	-
M01286	LOS ALAMOS, COUNTY OF	PUBLIC TRANSPORTATION SERVICES	1,422,953
M01287	MANDYS SPECIAL FARM	PUBLIC TRANSPORTATION SERVICES	-
M01288	RUIDOSO DOWNS, CITY OF	PUBLIC TRANSPORTATION SERVICES	80,000
M01289	ZIA THERAPY CTR INC	PUBLIC TRANSPORTATION SERVICES	44,965
M01290	GRANT, COUNTY OF	PUBLIC TRANSPORTATION SERVICES	720,090
M01291	LAGUNA, PUEBLO OF	PUBLIC TRANSPORTATION SERVICES	97,505
M01292	SANTA FE, CITY OF	FUNDING / CAPITAL EQUIPMENT	318,082
M01295	PUEBLO OF ISLETA	FEASIBILITY STUDY	75,000
M01297	THE UNIVERSITY OF NEW MEXICO	STATE / REGIONAL FORECASTING	-
M01298	DEPARTMENT OF CULTURAL AFFAIRS	CULTURAL RESOURCE SERVICES	-
M01302	NEW MEXICO FINANCE AUTHORITY	REVENUE BOND MANAGEMENT SVCS	293,255
M01304	LOS ALAMOS, COUNTY OF	PUBLIC TRANSPORTATION SERVICES	105,141
M01307	THE COMMUNITY PANTRY	PUBLIC TRANSPORTATION SERVICES	132,424
M01308	NORTH CENTRAL REGIONAL TRANSIT DISTRICT	TRANSIT SERVICE PLAN	17,052
M01309	SOCORRO, CITY OF	TRANSIT SERVICE PLAN	16,000
M01311	NORTH CENTRAL REGIONAL TRANSIT DISTRICT	LONG RANGE TRANSIT PLAN	-
M01313	BOWMAN, WANDA RUTH	USE OF PARKING LOT AGREEMENT	3,600
M01314	FARMINGTON, CITY OF	FUNDING / CAPITAL EQUIPMENT	-
M01316	GOOD SHEPHERD LUTHERAN CHURCH	USE OF PARKING LOT AGREEMENT	6,500

**See Independent Auditors' Report**

**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						
9/26/2013	9/30/2014	\$ 36,464	80%	Contractor	Department	Department	
9/13/2013	9/30/2014	59,200	80%	Contractor	Department	Department	
9/30/2013	9/30/2014	180,690	80%	Contractor	Department	Department	
9/12/2013	9/30/2014	96,562	80%	Contractor	Department	Department	
7/7/2013	6/30/2014	12,792	80%	Contractor	Department	Department	
10/9/2013	9/30/2014	368,223	80%	Contractor	Department	Department	
10/14/2013	9/30/2014	440,146	80%	Contractor	Department	Department	
10/18/2013	9/30/2015	185,188	80%	Contractor	Department	Department	
9/9/2013	9/30/2014	33,600	80%	Contractor	Department	Department	
10/10/2013	9/30/2014	443,831	80%	Contractor	Department	Department	
10/10/2013	9/30/2014	110,554	80%	Contractor	Department	Department	
10/28/2013	9/30/2015	192,672	80%	Contractor	Department	Department	
10/24/2013	9/30/2014	68,800	80%	Contractor	Department	Department	
10/25/2013	9/30/2014	1,588,910	80%	Contractor	Department	Department	
10/28/2013	9/30/2014	66,146	80%	Contractor	Department	Department	
10/25/2013	9/30/2014	80,000	80%	Contractor	Department	Department	
11/12/2013	9/30/2014	54,800	80%	Contractor	Department	Department	
11/13/2013	9/30/2014	721,290	80%	Contractor	Department	Department	
11/22/2013	9/30/2014	97,745	80%	Contractor	Department	Department	
12/3/2013	9/30/2015	318,082	80%	Contractor	Department	Department	
1/8/2014	12/31/2014	75,000	80%	Contractor	Department	Department	
7/6/2013	6/30/2014	12,792	15%	Contractor	Department	Department	
1/23/2014	6/30/2017	200,000	100%	Contractor	Department	Department	
2/18/2014	2/18/2027	10,400,000	100%	Contractor	Department	Department	
3/14/2014	4/30/2014	108,800	80%	Contractor	Department	Department	
4/1/2014	9/30/2014	275,487	80%	Contractor	Department	Department	
4/28/2014	6/30/2014	17,052	80%	Contractor	Department	Department	
5/1/2014	3/31/2015	16,000	80%	Contractor	Department	Department	
6/4/2014	9/30/2015	64,000	75%	Contractor	Department	Department	
8/1/2014	7/31/2016	7,200	100%	Contractor	Department	Department	
6/9/2014	9/30/2015	132,822	80%	Contractor	Department	Department	
7/1/2014	6/30/2015	9,000	100%	Contractor	Department	Department	

**See Independent Auditors' Report**

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**SINGLE AUDIT**

**NEW MEXICO DEPARTMENT OF TRANSPORTATION**  
**Schedule of Expenditures of Federal Awards**

For the Year Ended June 30, 2014

Federal Agency/ Pass-Through Agency	Federal CFDA Number	Federal Participation Expenditures
<b>Direct Assistance Programs:</b>		
<b>U.S. Department of Transportation:</b>		
Federal Highway Administration		
Highway Planning and Construction:		
Highway Planning and Construction	20.205	\$ 372,796,526
Total Federal Highway Administration		<u>372,796,526</u>
National Highway Traffic Safety Administration (NHTSA):		
Highway Safety Cluster:		
State and Community Highway Safety	20.600	1,930,774
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	483,896
Occupant Protection Incentive Grants	20.602	140,700
State Traffic Safety Information System Improvement Grants	20.610	318,620
Incentive Grant Program to Increase Motorcyclist Safety	20.612	51,194
Total Highway Safety Cluster		<u>2,925,184</u>
NHTSA Discretionary Safety Grants	20.614	66,141
FARs	20.616	431,825
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	8,037,015
Total National Highway Traffic Safety Administration		<u>11,460,165</u>
Federal Transit Administration (FTA):		
Federal Transit Cluster		
Federal Transit Capital Investment Grants	20.500	2,032,268
Federal Transit Formula Grants	20.526	230,349
Total Federal Transit Cluster		<u>2,262,617</u>
Transit Services Programs Cluster		
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513	1,338,323
Job Access Reverse Commute	20.516	545,829
New Freedom Program	20.521	307,292
Total Transit Services Programs Cluster		<u>2,191,444</u>
Metropolitan Transportation Planning	20.505	400,356
Formula Grants for Other Than Urbanized Areas	20.509	8,299,243
Total Federal Transit Administration		<u>13,153,660</u>
<b>Total U.S. Department of Transportation</b>		<u>397,410,351</u>
<b>Total Federal Financial Assistance</b>		<u>\$ 397,410,351</u>

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

**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, 2014. 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	\$	399,120,916
Deferred U.S. Department of Transportation (2014)		3,212,776
Deferred U.S. Department of Transportation (2013)		(4,883,456)
Other Adjustment		<u>(39,885)</u>

Supplemental Schedule of Expenditures, of Federal Awards	\$	<u><u>397,410,351</u></u>
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**NEW MEXICO DEPARTMENT OF TRANSPORTATION**  
**Notes To Schedule of Expenditures of Federal Awards**

**Note 4 - Subrecipients of Grant Awards**

**Federal Highway Administration (FHWA):**

<b>CFDA</b>	<b>Program Name</b>	<b>Sub Recipient Name</b>	<b>Amount</b>
20.205	Highway Planning and Construction		
		City of Alamogordo	\$ 43,312
		City of Albuquerque	8,602,979
		City of Carlsbad	759,340
		City of Deming	266,493
		City of Farmington	150,146
		City of Grants	822,865
		City of Hobbs	90,509
		City of Las Cruces	51,308
		City of Rio Rancho	1,348,959
		City of Roswell	2,098,386
		City of Santa Fe	385,853
		County of Bernalillo	439,771
		County of Dona Ana	32,768
		County of Grant	37,507
		County of Mckinley	30,568
		County of San Juan	55,921
		County of Sandoval	482,700
		County of Santa Fe	189,661
		New Mexico Institute of Mining and Technology (NMIMT)	826,631
		Rio Metro Regional Transit District	48,645
		San Miguel County	75,067
		Town of Bernalillo	230,239
		Town of Mesilla	122,671
		Town of Peralta	54,594
		Trail of the Mountain Spirit	62,686
		Village of Los Lunas	264,779
		Village of Reserve	70,579
		Village of Tijeras	85,209
		Total CFDA 20.205	<u>\$ 17,730,147</u>
<b>Total Sub-Recipient Funds passed through FHWA</b>			<u><u>\$ 17,730,147</u></u>

**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):**

CFDA	Program Name	Sub Recipient Name	Amount
20.600	State and Community Highway Safety		
		ALAMOGORDO, CITY OF	6,282
		ALBUQUERQUE, CITY OF	106,844
		ARTESIA, CITY OF	3,729
		AZTEC, CITY OF	1,511
		BAYARD, CITY OF	1,542
		BELEN, CITY OF	2,516
		BERNALILLO, COUNTY OF	23,953
		BERNALILLO, TOWN OF	5,005
		BOSQUE FARMS, VILLAGE OF	2,625
		CAPITAN, VILLAGE OF	2,501
		CARLSBAD, CITY OF	5,923
		CITY OF SANTA ROSA	523
		CLAYTON, TOWN OF	1,225
		CLOUDCROFT, VILLAGE OF	771
		CLOVIS, CITY OF	6,305
		DONA ANA COUNTY OF	39,917
		EDDY COUNTY	8,350
		EDGEWOOD, TOWN OF	581
		ELIDA, TOWN OF	1,224
		ESPANOLA, CITY OF	4,243
		FARMINGTON, CITY OF	16,846
		GRANTS, CITY OF	1,113
		JEMEZ, PUEBLO OF	288
		LOS ALAMOS, COUNTY OF	1,287
		RIO RANCHO, CITY OF	60,000
		Total CFDA 20.600	305,103
20.601	Alcohol Impaired Driving Countermeasures Incentive Grants I		
		ADMINISTRATIVE OFFICE OF THE COURTS	107,723
		ALBUQUERQUE, CITY OF	207,419
		CLOVIS, CITY OF	6,984
		DEPARTMENT OF HEALTH	7,093
		DEPARTMENT OF PUBLIC SAFETY	110,374
		EDDY COUNTY	26,476
		LORDSBURG, CITY OF	9,853
		MCKINLEY, COUNTY OF	7,973
		Total CFDA 20.601	483,896

**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		
		ADMINISTRATIVE OFFICE OF THE COURTS	232,160
		ALAMOGORDO, CITY OF	20,256
		ALBUQUERQUE, CITY OF	437,747
		ANGEL FIRE, VILLAGE OF	54
		ANTHONY, CITY OF	3,970
		ARTESIA, CITY OF	4,477
		AZTEC, CITY OF	3,610
		BAYARD, CITY OF	11,811
		BELEN, CITY OF	8,295
		BERNALILLO COUNTY METRO COURT	99,670
		BERNALILLO, COUNTY OF	122,179
		BERNALILLO, TOWN OF	14,210
		BLOOMFIELD, CITY OF	32,765
		BOSQUE FARMS, VILLAGE OF	29,972
		CAPITAN, VILLAGE OF	16,254
		CARLSBAD, CITY OF	20,155
		CARRIZOZO, TOWN OF	8,358
		CHAVES COUNTY	9,658
		CIBOLA COUNTY, TREASURER OF	6,004
		CIMARRON, VILLAGE OF	3,085
		CITY OF GALLUP	20,479
		CITY OF LOVINGTON	6,520
		CITY OF SANTA ROSA	9,487
		CLAYTON, TOWN OF	4,995
		CLOUDCROFT, VILLAGE OF	1,884
		CLOVIS, CITY OF	15,596
		COLFAX COUNTY	4,452
		CORRALES, VILLAGE OF	6,632
		CUBA, VILLAGE OF	4,612
		DEMING, CITY OF	1,513
		DEPARTMENT OF HEALTH	38,200
		DEPARTMENT OF PUBLIC SAFETY	532,249
		DONA ANA COUNTY OF	95,363
		EDDY COUNTY	42,130
		EDGEWOOD, TOWN OF	4,956

**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)		
		ESPANOLA, CITY OF	12,869
		ESTANCIA, TOWN OF	1,301
		FARMINGTON, CITY OF	252,068
		GRANT COUNTY CLERK	23,734
		GRANTS, CITY OF	6,693
		GUADALUPE COUNTY	3,236
		HIDALGO COUNTY	8,670
		HOBBS, CITY OF	22,385
		HOPE, VILLAGE OF	3,989
		HURLEY, TOWN OF	7,091
		JEMEZ SPRINGS, VILLAGE OF	4,692
		JEMEZ, PUEBLO OF	12,321
		LAS CRUCES, CITY OF	85,361
		LAS VEGAS, CITY OF	10,609
		LEA COUNTY	7,144
		LINCOLN, COUNTY OF	5,120
		LORDSBURG, CITY OF	4,376
		LOS ALAMOS, COUNTY OF	16,492
		LOS LUNAS, VILLAGE OF	27,420
		LUNA COUNTY (SHERIFFS DEPT)	17,800
		MCKINLEY, COUNTY OF	356,762
		MORIARTY, CITY OF	7,349
		OHKAY OWINGEH	11,440
		OTERO COUNTY	5,798
		PORTALES, CITY OF	6,599
		PUEBLO OF ISLETA	13,377
		PUEBLO OF POJOAQUE	5,276
		RATON, CITY OF	5,864
		RED RIVER, TOWN OF	16,675
		RIO ARRIBA, COUNTY	51,863
		RIO RANCHO, CITY OF	539,329
		RUIDOSO, VILLAGE OF	7,880
		SAN JUAN, COUNTY OF	17,092
		SAN MIGUEL COUNTY	5,726
		SANDIA, PUEBLO OF	4,765
		SANDOVAL, COUNTY OF	17,399
		SANTA ANA PUEBLO	3,609

**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)		
		SANTA CLARA PUEBLO	3,336
		SANTA CLARA, VILLAGE OF	8,010
		SANTA FE, CITY OF	191,913
		SANTA FE, COUNTY OF	35,503
		SIERRA COUNTY, TREASURER OF	1,195
		Silver City / Grant County - Claimed -	2,729
		SILVER CITY/GRANT COUNTY	11,488
		SOCORRO COUNTY	10,672
		SOCORRO, CITY OF	8,360
		SUNLAND PARK, TREASURER OF	22,996
		TAOS, COUNTY OF	17,719
		TAOS, TOWN OF	8,309
		TEXICO, CITY OF	3,302
		TORRANCE COUNTY	6,185
		TREASURER OF LOVING	7,473
		TRUTH OR CONSEQUENCES, CITY OF	4,493
		TUCUMCARI, CITY OF	5,002
		TULAROSA POLICE DEPARTMENT	3,672
		VALENCIA, COUNTY OF	22,846
		VILLAGE OF HATCH	6,677
		ZUNI, PUEBLO OF	6,866
		Total CFDA 20.608	3,872,675
<b>Total Sub-Recipient Funds passed through NHTSA</b>			<b>\$ 4,661,673</b>

**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		
		CLOVIS, CITY OF	108,352
		HOBBS, CITY OF	9,953
		LOS ALAMOS, COUNTY OF	541,868
		NAVAJO NATION	739,181
		NORTH CENTRAL REGIONAL TRANSIT DISTRICT	577,266
		OHKAY OWINGEH	160
		PORTALES, CITY OF	400
		RIO METRO REGIONAL TRANSIT DISTRICT	15,990
		SOCORRO, CITY OF	35,501
		SOUTHWEST REGIONAL TRANSIT DISTRICT	800
		TAOS, TOWN OF	2,798
		Total CFDA 20.500	2,032,268
20.505	Metropolitan Transportation Planning		
		EL PASO, CITY OF	10,764
		FARMINGTON, CITY OF	10,546
		LAS CRUCES, CITY OF	41,166
		LOS ALAMOS, COUNTY OF	36,456
		MID-REGION COUNCIL OF GOVERNMENTS	103,398
		NORTH CENTRAL REGIONAL TRANSIT DISTRICT	134,060
		SANTA FE, CITY OF	58,654
		Total CFDA 20.505	395,043
20.509	Formula Grants for Other Than Urbanized Areas		
		ALAMOGORDO DAILY NEWS	127
		ALBUQUERQUE PUBLISHING CO	57
		ALL ABOARD AMERICA!	300,000
		AMERICAN ASSOCIATION OF STATE HIGHWAY &	610
		BEN ARCHER HEALTH CENTER	101,579
		CARLSBAD CURRENT ARGUS	107
		CARLSBAD, CITY OF	317,493
		CITY OF GALLUP	118,056
		CLOVIS, CITY OF	463,371
		GALLUP INDEPENDENT CO	61
		GOLDEN SPREAD RURAL FRONTIER	111,521
		GRANT, COUNTY OF	346,207

**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):**

CFDA	Program Name	Sub Recipient Name	Amount
20.509	Formula Grants for Other Than Urbanized Areas (continued)		
		HATCH AREA MEDICAL CENTER FOUNDATION	32,056
		HOBBS NEWS-SUN	106
		HOBBS, CITY OF	338,623
		INTERMOUNTAIN MRO SERVICES INC	12,240
		LAGUNA, PUEBLO OF	76,368
		LAS VEGAS, CITY OF	134,893
		LOS ALAMOS, COUNTY OF	942,961
		MILAN, VILLAGE OF	146,741
		NAVAJO NATION	366,054
		NANIZHOOZHI CENTER INC	10,666
		NORTH CENTRAL REGIONAL TRANSIT DISTRICT	1,153,449
		OHKAY OWINGEH	23,036
		PORTALES, CITY OF	84,166
		RED RIVER, TOWN OF	88,765
		RIO METRO REGIONAL TRANSIT DISTRICT	657,161
		ROSWELL, CITY OF	654,241
		RUIDOSO DOWNS, CITY OF	81,214
		SOCORRO, CITY OF	108,847
		SOUTHWEST REGIONAL TRANSIT DISTRICT	171,345
		TAOS, TOWN OF	246,559
		THE COMMUNITY PANTRY	60,986
		ZIA THERAPY CTR INC	483,848
		Total CFDA 20.509	7,633,520
20.513	Capital Assistance Program for Elderly Persons and Persons with Disabilities		
		ARCA	58,306
		LOS ALAMOS, COUNTY OF	105,141
		Total CFDA 20.513	163,447
20.516	Job Access Reverse Commute		
		CARLSBAD, CITY OF	10,359
		LOS ALAMOS, COUNTY OF	238,289
		MILAN, VILLAGE OF	4,852
		NORTH CENTRAL REGIONAL TRANSIT DISTRICT	203,071
		RIO METRO REGIONAL TRANSIT DISTRICT	58,858
		SOUTHWEST REGIONAL TRANSIT DISTRICT	27,295
		ZIA THERAPY CTR INC	3,105
		Total CFDA 20.516	545,829

**See Independent Auditors' Report**

**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):**

<b>CFDA</b>	<b>Program Name</b>	<b>Sub Recipient Name</b>	<b>Amount</b>
20.521	Federal Transit Capital Investment Grants		
		CARLSBAD, CITY OF	6,440
		HOBBS, CITY OF	17,015
		LOS ALAMOS, COUNTY OF	283,837
		Total CFDA 20.521	307,292
20.526	Federal Transit Formula Grants		
		CITY OF GALLUP	930
		GOLDEN SPREAD RURAL FRONTIER	3,566
		LOS ALAMOS, COUNTY OF	71,243
		NORTH CENTRAL REGIONAL TRANSIT DISTRICT	96,000
		ZIA THERAPY CTR INC	1,117
		Total CFDA 20.521	172,856
<b>Total Sub-Recipient Funds passed through FTA</b>			<b>\$ 11,250,255</b>





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### **Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

Mr. Tom Church, Cabinet Secretary  
State of New Mexico Department of Transportation  
and Mr. Hector H. Balderas, State Auditor

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information and the budgetary comparisons of the general fund and major special revenue funds of the State of New Mexico Department of Transportation (the "Department") as of and for the year ended June 30, 2014 and the related notes to the financial statements, which collectively comprise the Department's basic financial statements, and the combining and individual funds and the related budgetary comparisons of the Department presented as supplementary information, and have issued our report thereon dated December 15, 2014.

#### **Internal Control Over Financial Reporting**

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Department's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2014-001 and 2014-002.

**Responses to Findings**

The State of New Mexico Department of Transportation'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 State of New Mexico Department of Transportation's responses and, accordingly, we express no opinion on them.

**Purpose of this Report**

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

**CliftonLarsonAllen LLP**

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

Albuquerque, New Mexico  
December 15, 2014



## CliftonLarsonAllen

### **Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Federal Program and on Internal Control over Compliance in Accordance with OMB Circular A-133**

Mr. Tom Church, Cabinet Secretary  
State of New Mexico Department of Transportation  
and Mr. Hector H. Balderas, State Auditor

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

We have audited the State of New Mexico Department of Transportation's (the Department) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Department's major federal programs for the year ended June 30, 2014. The Department's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

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

#### ***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the Department's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Department's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Department's compliance.

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

In our opinion, the State of New Mexico Department of Transportation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

## Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2014-002. Our opinion on each major federal program is not modified with respect to these matters.

The Department's response to the noncompliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The Department's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

**CliftonLarsonAllen LLP**



Albuquerque, New Mexico  
December 15, 2014

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**NEW MEXICO DEPARTMENT OF TRANSPORTATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Summary of Auditors' Results**

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**For the Year Ended June 30, 2014**

**Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued

Unmodified

Internal Control over financial reporting:

Material weakness(es) identified?

Yes  No

Significant deficiency(s) identified?

Yes  None Reported

Non-compliance material to 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:

Unmodified

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

Formula Grants for Rural Areas

20.509

Minimum Penalties for Repeat Offenders for Driving While Intoxicated

20.608

Dollar threshold used to distinguish between Types A and B programs

\$3,000,000

Auditee qualified as low-risk auditee?

Yes  No

**C. FINDINGS – FEDERAL AWARDS**

**2014-002 NON-COMPLIANCE WITH FFATA REPORTING REQUIREMENTS**

U.S. Department of Transportation  
Penalties for Repeat DWI Offenders  
Grants for Rural Programs  
Program Year: 2014

CFDA #20.608, Penalties for Repeat DWI Offenders, and  
CFDA #20.509, Formula Grants for Rural Areas □

**QUESTIONED COSTS: None**

CONDITION

New subaward contracts were not reported under Federal Funding Accountability and Transparency Act (FFATA) requirements.

CRITERIA

The FFATA requires first-tier subawards and amendments greater than \$25,000 be reported to the federal government through the Federal Subaward Reporting System (FSRS).

EFFECT

The Department is out of compliance with FFATA reporting requirements.

CAUSE

Internal Controls were not operating effectively. The Department does not have a process in place through which the required FFATA reports are being submitted timely.

RECOMMENDATION

We recommend that the Department develop procedures, including controls over those procedures, to ensure that subawards are reported timely under FFATA requirements.

MANAGEMENT RESPONSE

Management agrees that Department was not in compliance and has taken steps to ensure compliance during the current fiscal year. The Department has had procedures and internal controls in place for several years, however, staff shortages and lack of management oversight and awareness of reporting requirements resulted in non-compliance. Management has taken corrective actions to include proper staff training and increased management oversight

**D. FINDINGS – OTHER MATTERS**

**2014-001 Deposit of Public Funds (Compliance and Other Matters)**

CONDITION

During our testing of deposits, we noted that in two instances out of the 22 tested, a check was deposited into the bank more than 24 hours after it was received.

CRITERIA

According to §6-10-3 NMSA 1978 , "All public money in the custody or under the control of any state official or agency obtained or received by any official or agency from any source, except as in Section 6-10-54 NMSA 1978 provided, shall be paid into the state treasury. It is the duty of every official or person in charge of any state agency receiving any money in cash or by check, draft or otherwise for or on behalf of the state or any agency thereof from any source, except as in Section 6-10-54 NMSA 1978 provided, to forthwith and before the close of the next succeeding business day after the receipt of the money to deliver or remit it to the state treasurer . . . "

CAUSE

Management oversight.

EFFECT

Non-compliance with applicable statutes.

RECOMMENDATION

We recommend management evaluate the applicable statutes and establish procedures to ensure compliance.

MANAGEMENT'S RESPONSE

Management agrees and already has processes and procedures in place to ensure compliance. Management will monitor receipts more closely and ensure these procedures are being followed.



**B. Financial Statement Audit**

There were no findings for the year ended June 30, 2013

**C. Federal Awards**

There were no findings for the year ended June 30, 2013

**D. Compliance and Other Matters**

There were no findings for the year ended June 30, 2013

An exit conference was held with the Department on December 1, 2014. The conference was held at the Department's offices in Santa Fe, New Mexico. The conference was held in a closed meeting to preserve the confidentiality of the audit information prior to the official release of the financial statements by the State Auditor. In attendance were:

STATE OF NEW MEXICO DEPARTMENT OF TRANSPORTATION

Tom Church, Cabinet Secretary  
Jeff Canney, Inspector General  
Larry L. Viarreal, Chief Financial Officer  
Bridgette Long, Accounting Services Deputy Director  
Anthony Lujan, Deputy Secretary  
Marcos Trujillo, Policy Director  
Jackson Gibson, Commissioner, District Six

CLIFTONLARSONALLEN, LLP

Georgie Ortiz, CPA, CGFM, Principal  
Janet Pacheco-Morton, CPA, CGFM, Principal  
David English, CPA, Assurance Manager

PREPARATION OF FINANCIAL STATEMENTS

The financial statements presented in this report have been prepared by the Department with assistance from CliftonLarsonAllen, LLP and are the responsibility of management.