

2016

New Mexico Department of Transportation



FINANCIAL STATEMENTS &
OTHER FINANCIAL INFORMATION
(WITH INDEPENDENT AUDITORS' REPORT)
YEAR ENDED JUNE 30, 2016

ONE TEAM. ONE VISION. ONE VOICE.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
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Year Ended June 30, 2016

Commission

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

Administrative Officers

| | |
|---------------|-------------------|
| Tom Church | Cabinet Secretary |
| Anthony Lujan | Deputy Secretary |
| Loren Hatch | Deputy Secretary |

INDEPENDENT AUDITORS' REPORT



CliftonLarsonAllen

INDEPENDENT AUDITORS' REPORT

Mr. Tom Church, Cabinet Secretary
State of New Mexico Department of Transportation
and Mr. Timothy Keller, 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 fund of the State of New Mexico Department of Transportation (Department) as of and for the year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise the Department's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the Department's non-major governmental funds and the budgetary comparisons 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, 2016, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States 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

Mr. Tom Church, Cabinet Secretary
State of New Mexico Department of Transportation
and Mr. Timothy Keller, State Auditor

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, 2016, 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, 2016, and the respective changes in financial position and the respective budgetary comparisons for the 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, 2016, 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 5 through 22 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.

Mr. Tom Church, Cabinet Secretary
State of New Mexico Department of Transportation
and Mr. Timothy Keller, State Auditor

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 Title 2 U.S. Code of *Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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, except for the Schedule of Vendors, 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*, except for the Schedule of Vendors, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Schedule of Vendors has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2016, on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the 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

Albuquerque, New Mexico
November 30, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of New Mexico Department of Transportation (Department), we offer the readers of the Department's financial statement this narrative overview and analysis of the financial activities of the Department for the fiscal year ended June 30, 2016. 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 40 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 \$170,423,946, and the net position of the Department's governmental activities decreased by \$170,480,343 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, deferred inflows and outflows, 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 23 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 50 governmental funds. 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 fund reports at least ten percent of any of the following: a) total respective governmental or enterprise fund assets, b) total respective governmental or enterprise fund liabilities, c) total respective governmental or enterprise fund revenues, or d) total respective governmental or enterprise fund expenditures.

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

The Department's major governmental funds are the following:

State Road Fund(s) (Funds #10040 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 Schedule of General Fund Components - Statement of Revenues, Expenditures and Changes in Fund Balance.

2014A Bond Project Fund (Fund #11970). The bond project fund was created by Section 67-3-59.3 NMSA 1978 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

Governmental Funds - 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 47 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 107 through 130.

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 33 through 34 and the cash flows statement is on page 35 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 40.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain other supplementary information including the Schedules of General 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 Coverage, Supplemental Schedule of Joint Powers Agreements, Supplemental Schedule of Vendor Information and the Schedule of Expenditures of Federal Awards.

Government-wide Financial Analysis

As noted, net position may serve over time as a useful indicator of the Department's financial position. At June 30, 2016, the Department's assets and deferred outflows of resources exceeded liabilities by \$4,670,676,547.

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.

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Management's Discussion and Analysis
Year Ended June 30, 2016

1. Overview of the Financial Statements - continued

Net Position

As of June 30, 2016 and 2015, 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, 2016 and 2015.

Table A-1 The Department's Net Position

| | Governmental Activities | | Business-type Activities | |
|----------------------------------|-------------------------|-------------------------|--------------------------|----------------------|
| | 2016 | 2015 | 2016 | 2015 |
| Assets: | | | | |
| Current and other assets | \$ 379,589,765 | \$ 406,555,468 | \$ 20,995,564 | \$ 21,822,167 |
| Capital assets and other | 5,768,841,824 | 6,007,094,897 | - | - |
| Total Assets | \$ 6,148,431,589 | \$ 6,413,650,365 | \$ 20,995,564 | \$ 21,822,167 |
| Deferred Outflows: | | | | |
| Deferred loss on refunding | \$ 53,134,626 | \$ 59,106,726 | - | - |
| Deferred outflow of resources | 72,554,752 | 61,106,526 | - | - |
| Total Deferred Outflows | \$ 125,689,378 | \$ 120,213,252 | - | - |
| Liabilities: | | | | |
| Current liabilities | \$ 210,316,452 | \$ 210,809,435 | 180,000 | 1,063,000 |
| Long-term liabilities | 1,413,943,532 | 1,502,712,856 | - | - |
| Total Liabilities | \$ 1,624,259,984 | \$ 1,713,522,291 | 180,000 | 1,063,000 |
| Net Position: | | | | |
| Net investment in capital assets | \$ 4,447,749,634 | \$ 4,397,532,074 | - | - |
| Restricted | 202,111,349 | 422,809,252 | 20,815,564 | 20,759,167 |
| Total Net Position | \$ 4,649,860,983 | \$ 4,820,341,326 | \$ 20,815,564 | \$ 20,759,167 |

1. Overview of the Financial Statements - continued

| Total | |
|------------------|------------------|
| 2016 | 2015 |
| \$ 400,585,329 | \$ 428,377,635 |
| 5,768,841,824 | 6,007,094,897 |
| \$ 6,169,427,153 | \$ 6,435,472,532 |
| \$ 53,134,626 | \$ 59,106,726 |
| 72,554,752 | 61,106,526 |
| \$ 125,689,378 | \$ 120,213,252 |
| \$ 210,496,452 | \$ 211,872,435 |
| 1,413,943,532 | 1,502,712,856 |
| \$ 1,624,439,984 | \$ 1,714,585,291 |
| \$ 4,447,749,634 | \$ 4,397,532,074 |
| 222,926,913 | 443,568,419 |
| \$ 4,670,676,547 | \$ 4,841,100,493 |

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Management's Discussion and Analysis
Year Ended June 30, 2016

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, 2016 and 2015. Governmental activities decreased the Department's net position by \$170,480,343 in 2016 and \$312,557,231 in 2015. Business-type activities increased the Department's net position by \$56,397 in 2016 and by \$16,719 in 2015, due to interest income earned during the year.

Table A-2 Change in the Department's Net Position

| | Governmental Activities | | Business-type Activities | |
|---|-------------------------|-------------------------|--------------------------|----------------------|
| | 2016 | 2015 | 2016 | 2015 |
| Revenues: | | | | |
| Program revenues: | | | | |
| Charges for services | \$ 39,697,728 | \$ 37,937,263 | \$ 11,836 | \$ - |
| Operating grants | 27,790,078 | 23,693,826 | - | - |
| Capital grants | 378,820,223 | 379,838,986 | - | - |
| General revenues: | | | | |
| User and fuel taxes | 412,076,367 | 403,519,316 | - | - |
| Interest income | 1,861,721 | 1,196,352 | 44,561 | 16,719 |
| Special revenues: | | | | |
| Gain (loss) on disposal of assets | - | (3,820,275) | - | - |
| Total Revenues | 860,246,117 | 842,365,468 | 56,397 | 16,719 |
| Expenses: | | | | |
| Programs and infrastructure | 741,775,263 | 843,078,614 | - | - |
| Transportation and highway operations | 269,915,606 | 279,701,560 | - | - |
| Program support | 55,003,958 | 56,805,582 | - | - |
| Total Expenses | 1,066,694,827 | 1,179,585,756 | - | - |
| Net Revenues Before Transfers and Reversions | (206,448,710) | (337,220,288) | 56,397 | 16,719 |
| Transfers and Reversions | 35,968,367 | 24,663,057 | - | - |
| (Decrease) Increase in Net Position | (170,480,343) | (312,557,231) | 56,397 | 16,719 |
| Net Position, Beginning of Fiscal Year | 4,820,341,326 | 5,132,898,557 | 20,759,167 | 20,742,448 |
| Net Position, End of Fiscal Year | \$ 4,649,860,983 | \$ 4,820,341,326 | \$ 20,815,564 | \$ 20,759,167 |

1. Overview of the Financial Statements - continued

| Total | |
|------------------|------------------|
| 2016 | 2015 |
| \$ 39,709,564 | \$ 37,937,263 |
| 27,790,078 | 23,693,826 |
| 378,820,223 | 379,838,986 |
| 412,076,367 | 403,519,316 |
| 1,906,282 | 1,213,071 |
| - | (3,820,275) |
| 860,302,514 | 842,382,187 |
| 741,775,263 | 843,078,614 |
| 269,915,606 | 279,701,560 |
| 55,003,958 | 56,805,582 |
| 1,066,694,827 | 1,179,585,756 |
| (206,392,313) | (337,203,569) |
| 35,968,367 | 24,663,057 |
| (170,423,946) | (312,540,512) |
| 4,841,100,493 | 5,153,641,005 |
| \$ 4,670,676,547 | \$ 4,841,100,493 |

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, unassigned 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 2016 fiscal year, the Department's governmental funds reported combined ending fund balances of \$294,237,889 a decrease of \$1,324,941 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 \$41,062,967.

The changes in fund balance for the Department's major funds for 2016 are as follows:

| | |
|---|------------------------------|
| State Road Fund(s) (Fund #10040 and #20100) | \$ 27,593,705 |
| 2014A Bond Project Fund (Fund #11970) | <u>(29,550,761)</u> |
| Major funds, net change in fund balances | <u><u>\$ (1,957,056)</u></u> |

The net increase in the State Road Fund(s) is due to several factors, including transfers into the State Road Fund of residual fund balances from other funds, a net increase in revenues from the prior year and a reduction in scheduled debt service payments.

The net decrease in the 2014A Bond Project Fund is due to funding project expenditures in the current fiscal year.

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 by \$100,948,861. Overall, these changes were caused by the following significant budget adjustments:

| | |
|---|----------------|
| Increase-Heavy Construction Equipment Purchases from State Road Fund Balance | \$ 10,000,000 |
| Increase-Conchas Lake Airport | 948,861 |
| Increase-Federal Aid Program | 75,100,000 |
| Increase-US 550 Warranty Program | 3,500,000 |
| Increase-Aggressive Recruitment Resulting in Reduced Vacancy Rates and Overtime | 3,000,000 |
| Increase-Due to Additional Monitoring by UNM per NHTSA Recommendation | 200,000 |
| Increase-Due to Revenue Shortfall | 1,000,000 |
| Increase-Due to Repave/Repair the WIPP North Access Road between Highway 62-180 | 7,200,000 |
| | \$ 100,948,861 |

The Department's original operating budget for fiscal year 2016 was \$864,664,300. This budget included \$838,434,800 of new revenues and \$26,229,500 of prior year funds rebudgeted. The final budget for the fiscal year was \$1,302,313,565. The \$437,649,265 increase in budget was due to FY16 budget adjustments discussed above and the Department's authorized practice of rolling forward into FY16 its remaining FY15 unexpended purchase orders. The appropriation budgetary period for those FY15 unexpended purchase orders lapses at the end of the FY15 fiscal year and the Department has to re-establish the budget in FY16 to re-appropriate the balance of its unexpended purchase orders. The Department funds the budget increase by utilizing the balance of the unused FY15 budget revenues that were originally budgeted for the unexpended purchase orders. The roll forward budget of \$333,191,404 is not included in the above schedule of budget adjustments.

Capital Assets Overview

The Department's investment in capital assets for its governmental activities as of June 30, 2016, amounts to \$5,756,206,824 (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.

1. Overview of the Financial Statements - continued

Capital Assets Overview - continued

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.

Fiscal Year 2015-2016 Active Projects with a contract amount of \$10 million or more:

US 491, MP 15.03 to MP 37.00 for 21.97 miles - McKinley County
US 54, MP 130.000 to MP 146.000 for 15.912 miles - Lincoln County
NM 529, MP 0.000 to MP 22.165 for 22.165 miles - Eddy County
I-25/NM14 Interchange, MP 276.944 to MP 278.224 & NM 14, MP 46.044 to MP 46.270 for 1.201 miles - Santa Fe County
I-25, MP 216.250 to MP 220.000 for 3.750 miles - Bernalillo County
I-25, MP 0.850 to MP 3.400 for 2.55 miles - Doña Ana County
US 491, MP 36.962 to MP 42.427 for 5.465 miles - San Juan County
NM 529, MP 22.109 to MP 31.130 for 9.021 miles - Lea County
NM 47, MP 31.000 to MP 32.800 for 1.800 miles - Valencia County
I-10, MP 146.000 to MP 164.345 for 18.345 miles - Doña Ana County
I-25/South Raton Interchange and I-25, MP 450.232 to MP 454 for 3.768 miles - Colfax County
I-40/US 285 Interchange for 3.394 miles - Torrance County
US 64, MP 57.870 to MP 60.000 for 2.131 miles - San Juan County
NM 18, MP 22.000 to 31.800 for 9.800 miles - Lea County
NM 314, MP 2.940 to MP 3.470 for 0.530 miles - Valencia County

1. Overview of the Financial Statements - continued

Automotive and Major Road Fund Equipment

For fiscal year 2016, the Automotive and Major Road Fund Equipment modified accrual basis budget total was approximately \$23,276,686. Of this budget, approximately \$21,753,723 was fully expended at June 30, 2016. 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**

| | 2016 | 2015 |
|--|-------------------------|-------------------------|
| Land | \$ 5,177,044 | \$ 5,177,044 |
| Construction in Process | 336,847,017 | 287,505,146 |
| Right of Way | 505,012,943 | 501,725,643 |
| Infrastructure | 14,244,898,022 | 14,511,399,048 |
| Equipment and furniture | 31,886,543 | 31,643,272 |
| Library | 113,566 | 113,566 |
| Buildings | 49,232,930 | 49,468,395 |
| Automotive and Major Road Fund Equipment | 236,176,078 | 221,799,395 |
| Accumulated depreciation | (9,653,137,319) | (9,615,484,597) |
| Total | \$ 5,756,206,824 | \$ 5,993,346,912 |

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, 2016, the Department had a total outstanding debt (bonds) of \$1,281,950,000. Outstanding bond debt is backed by the Department's anticipated state tax revenues and FHWA revenues.

Table A-4
Department's Outstanding Debt

| | 2016 | 2015 |
|--|-------------------------|-------------------------|
| Bonds (excludes deferred amounts on refunding) | <u>\$ 1,281,950,000</u> | <u>\$ 1,350,590,000</u> |

The Department's total bond debt decreased by 5.1%, or (\$68,640,000). Total outstanding bond debt at the end of the 2016 fiscal year was \$1,281,950,000 compared to \$1,350,590,000 at the end of the 2015 fiscal year. The decrease in debt resulted from \$68,640,000 in principal repayments. See Note 15 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 and Lea.

Major industries in the State are energy resources, semi-conductor manufacturing, tourism, services, agriculture-agribusiness, government, and mining. In 2014, New Mexico was the 7th largest producing state of natural gas and the 6th largest producing state of onshore crude oil. In 2014 coal, copper and potash production value amounted to \$2.9 billion and the state ranked 12th, 3rd and 1st respectively in the US. The mining and logging industry employed more than 25 thousand New Mexicans in 2015. 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 – From July 1, 2015 through December 3, 2015 the amount of federal aid (obligation limitation) available to states was being administered by the Highway and Transportation Funding Act of 2014 known as MAP-21 Extension FFY16 (Federal Fiscal Year). It is currently being administered by the FAST Act, i.e. Fixing America's Surface Transportation Act. President Obama signed the FAST Act into law on December 4, 2015. The FAST Act authorizes \$305 billion from both the Highway Trust Fund and the General Fund of the United States Treasury. It provides \$225 billion in Highway Trust Fund contract authority over five years for the federal –aid Highway Program, increasing funding from \$41 billion in 2015 to \$47 billion in 2020. For the State of New Mexico, this means an overall increase from \$354.4 million in FY2015 to \$378.7 million in FY2016 which represents an \$24 million or 6.9% increase. Year over year from FY2016 to FY2020 New Mexico will see a 2% to 2.4% increase.

Federal Transit Administration Funds - NMDOT reported revenue of \$14,948,091 in FY 2016 Federal Transit Administration grant funds.

National Highway Traffic Safety Administration Funds - NMDOT reported revenue of \$12,623,143 in FY 2016 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 FY 2008 through FY 2010 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 2016 has been the year that revenues finally surpassed the FY 2007 level, with the peak-to-return cycle lasting 9 years: falling for 3 years by 10% and slowly climbing for 6 years to fully recover.

Following strong tax revenue growth of about 3% in FY 2016, the latest (July 2016) recurring revenue forecast for the State Road Fund expects a revenue growth of 1.5% in FY 2017, followed by growth in the 0.9% to 2% range during the subsequent four fiscal years. The revenue forecast for the Department as a whole is 1.2% for FY 2017, followed by growth in the 0.9% to 2.3% range during the subsequent four fiscal years.

State Revenue Forecasts - Major Revenue Sources

The budget estimate for state tax and fee revenue is prepared in June/July and December/January for each year for the budget year ending 24 months (or 18 months) later. Each fiscal year's revenue estimate is tracked monthly to examine actual revenue receipts and changes in economic conditions. With that information executive management prioritizes maintenance and construction needs of the state.

In particular, the methodology adopted for forecasting NMDOT's revenues relies on econometric techniques such as regression models and time series models (i.e. ARIMA, ARIMAX).

The estimates rely on three main sources of forecast input parameters, which are:

- IHS Global Insight U.S. Economic Outlook, Baseline and Alternative scenarios
- UNM, Bureau of Business and Economic Research Quarterly Economic Forecast of the New Mexico Economy
- UNM, Geospatial and Population Studies population Projections

The model outcomes are validated comparing historical revenues with forecast values. The models adopted are those that have the best out-of-sample forecast performance, and the highest forecasting power.

2. Economic Factors and Revenue Forecasts - continued

On a yearly basis, both models and results are reviewed by the State Consensus Revenue Estimating Group that includes economists from the Legislative Finance Committee, Taxation and Revenue Department, and Department of Finance and Administration.

Revenues from gasoline, special fuels, Weight Distance and vehicle registration constitute 93% of the State Road Fund and 85% of all the NMDOT's funds.

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.

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 be flat in the next few years, because of increasing passenger vehicle efficiency and only modest increases in NM's population.

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 \$110.9 million in revenue in FY 2016. 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 16 years, between FY 2000 and FY 2016, 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 \$5 million below average in FY 2012).

2. Economic Factors and Revenue Forecasts - continued

Special fuel tax (primarily diesel) is the second largest of the state's revenue sources, providing about \$97.3 million in FY 2016, down from the peak of \$101.6 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 \$97.3 million in FY 2016.

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 \$83 million in revenue in FY 2016. 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.

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. With recent improvements in the US economy, trucking activity has begun to improve and concurrently trucking related revenues have also begun to improve. In FY 2015 and FY 2016 Weight Distance revenue grew at a 6.1% and 3.8% rate per year, respectively. In the next few years Weight Distance revenue is forecast to continue to grow around 3% yearly, with only a slowdown in FY 2017.

Motor vehicle registration fees are the fourth largest revenue source at about \$80.8 million in FY 2016. 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 tax, discussed above. This revenue, like gasoline, has remained stable during both the economic expansions and recessionary periods, and in FY 2016 this source of revenue registered a growth of about 7%. This significant increase in revenue was primarily due to strong consumer spending and low gas prices that boosted car and SUV sales.

2. Economic Factors and Revenue Forecasts - continued

One revenue source, the Trip Tax, has been impacted negatively by recent federal procedure rulings and legislation. Trip Tax is charged on trucks in lieu of the Weight Distance tax and vehicle registration fees for those trucks/companies not registered for Weight Distance. What was called a cab card and carried in each truck was used for Weight Distance registration identification. Federal regulations now prevent states from requiring the showing of state-specific taxpayer documentation cards. Trip tax rose to a peak of \$8.6 million in FY 2006 and provided revenues of about \$5.9 million in FY 2016. 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.

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 ten 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 67.4 million gallons in FY 2015 and 71.2 million gallons in FY 2016.

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, 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, 2016

| | Governmental Activities | Business-type Activities (State Infrastructure Bank) | Total |
|--|------------------------------------|---|-------------------------|
| Current Assets: | | | |
| Cash: | | | |
| Unrestricted | \$ 2,100 | \$ - | \$ 2,100 |
| Cash equivalents (Note 2): | | | |
| Investment in SGFIP | 154,905,669 | 19,120,728 | 174,026,397 |
| Managed by NMFA | 82,617,931 | - | 82,617,931 |
| Receivables: | | | |
| Accounts receivable, net (Note 3) | 1,361,475 | - | 1,361,475 |
| Interest receivable | 28,041 | 11,836 | 39,877 |
| Notes and loans receivable (Note 5) | - | 1,863,000 | 1,863,000 |
| Other receivables | 62,283 | - | 62,283 |
| Due from: | | | |
| U.S. Department of Transportation (Note 6) | 41,010,775 | - | 41,010,775 |
| Other funds (Note 7) | - | - | - |
| Other state agencies (Note 8) | 71,172,757 | - | 71,172,757 |
| Inventories (Note 9) | 15,786,441 | - | 15,786,441 |
| Prepaid expense - other | 15,983 | - | 15,983 |
| Prepaid expense - NM44 warranty | 1,805,000 | - | 1,805,000 |
| Property held for resale, net | 10,821,310 | - | 10,821,310 |
| Total Current Assets | 379,589,765 | 20,995,564 | 400,585,329 |
| Non-Current Assets: | | | |
| Prepaid expense - NM44 warranty, net | 12,635,000 | - | 12,635,000 |
| Capital assets, net (Note 10) | 5,756,206,824 | - | 5,756,206,824 |
| Total Non-Current Assets | 5,768,841,824 | - | 5,768,841,824 |
| Total Assets | 6,148,431,589 | 20,995,564 | 6,169,427,153 |
| Deferred Outflows of Resources: | | | |
| Deferred loss on refunding (Note 15) | 53,134,626 | - | 53,134,626 |
| Deferred outflow of resources (Note 15) | 72,554,752 | - | 72,554,752 |
| Total Deferred Outflows of Resources | 125,689,378 | - | 125,689,378 |
| Total Assets and Deferred Outflows of Resources | \$ 6,274,120,967 | \$ 20,995,564 | \$ 6,295,116,531 |

See Independent Auditors' Report and Notes to Financial Statements

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Net Position

As of June 30, 2016

| | Governmental Activities | Business-type Activities (State Infrastructure Bank) | Total |
|---|------------------------------------|---|-------------------------|
| Current Liabilities: | | | |
| Accounts payable and contracts payable, including retainage of \$6,700,070 | \$ 62,459,593 | \$ - | \$ 62,459,593 |
| Due to: | | | |
| Other state agencies (Note 12) | 612,989 | - | 612,989 |
| State general fund | 2,916 | - | 2,916 |
| Local governments (Note 13) | 1,703,398 | 180,000 | 1,883,398 |
| Universities (Note 14) | 569,154 | - | 569,154 |
| Unearned revenue | 1,295 | - | 1,295 |
| Other accrued expenses | 5,101,284 | - | 5,101,284 |
| Bank overdrafts | 11,418,374 | - | 11,418,374 |
| Other liabilities | 24,325 | - | 24,325 |
| Short-term note payable (taxable line of credit) (Note 15) | 14,000,000 | - | 14,000,000 |
| Current portion of long-term obligations (Note 15): | | | |
| Compensated absences | 6,806,142 | - | 6,806,142 |
| Debentures payable | 93,655,000 | - | 93,655,000 |
| Capitalized bond premium | 13,961,982 | - | 13,961,982 |
| Total Current Liabilities | 210,316,452 | 180,000 | 210,496,452 |
| Long-Term Liabilities: | | | |
| Long-term obligations (Note 15): | | | |
| Derivative instruments interest rate swap | 119,015,023 | - | 119,015,023 |
| Debentures payable | 1,188,295,000 | - | 1,188,295,000 |
| Capitalized bond premium, net | 106,633,509 | - | 106,633,509 |
| Total Long-Term Liabilities | 1,413,943,532 | - | 1,413,943,532 |
| Total Liabilities | 1,624,259,984 | 180,000 | 1,624,439,984 |
| Net Position: | | | |
| Net investment in capital assets | 4,447,749,634 | - | 4,447,749,634 |
| Restricted for: | | | |
| Loans | - | 20,815,564 | 20,815,564 |
| Specific purposes | 202,111,349 | - | 202,111,349 |
| Total Net Position | 4,649,860,983 | 20,815,564 | 4,670,676,547 |
| Total Liabilities and Net Position | \$ 6,274,120,967 | \$ 20,995,564 | \$ 6,295,116,531 |

See Independent Auditors' Report and Notes to Financial Statements

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Statement of Activities

For the Year Ended June 30, 2016

| | Governmental Activities | Business-type Activities (State Infrastructure Bank) | Total |
|--|----------------------------|--|-------------------------|
| Program Expenses: | | | |
| Programs and infrastructure | \$ 741,775,263 | \$ - | \$ 741,775,263 |
| Transportation and highway operations | 269,915,606 | - | 269,915,606 |
| Program support | 55,003,958 | - | 55,003,958 |
| Total Program Expenses | <u>1,066,694,827</u> | <u>-</u> | <u>1,066,694,827</u> |
| Program Revenues: | | | |
| Charges for services | 39,697,728 | 11,836 | 39,709,564 |
| Operating grants | 27,790,078 | - | 27,790,078 |
| Capital grants | 378,820,223 | - | 378,820,223 |
| Total Program Revenues | <u>446,308,029</u> | <u>11,836</u> | <u>446,319,865</u> |
| Net Program Revenue (Expense) | <u>(620,386,798)</u> | <u>11,836</u> | <u>(620,374,962)</u> |
| General Revenues: | | | |
| User and fuel taxes | 412,076,367 | - | 412,076,367 |
| Interest income | 1,861,721 | 44,561 | 1,906,282 |
| Total General Revenues | <u>413,938,088</u> | <u>44,561</u> | <u>413,982,649</u> |
| Transfers: | | | |
| State general fund appropriation | 27,150,000 | - | 27,150,000 |
| Transfers from: severance tax bond appropriation | 10,318,367 | - | 10,318,367 |
| Transfers from (to) other state agencies and local governments, net (Note 11) | (1,500,000) | - | (1,500,000) |
| Total Transfers | <u>35,968,367</u> | <u>-</u> | <u>35,968,367</u> |
| Net General Revenues and Transfers | <u>449,906,455</u> | <u>44,561</u> | <u>449,951,016</u> |
| Change in Net Position/Operating Income (Loss) | <u>(170,480,343)</u> | <u>56,397</u> | <u>(170,423,946)</u> |
| Net Position, Beginning of Fiscal Year | <u>4,820,341,326</u> | <u>20,759,167</u> | <u>4,841,100,493</u> |
| Net Position, End of Fiscal Year | <u>\$ 4,649,860,983</u> | <u>\$ 20,815,564</u> | <u>\$ 4,670,676,547</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, 2016

| | <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> | | |
| Assets: | | | | |
| Cash: | | | | |
| Unrestricted | \$ 2,100 | \$ - | \$ - | \$ 2,100 |
| Cash equivalents: (Note 2) | | | | |
| Investment in SGFIP | 92,967,286 | (6,953,579) | 68,891,962 | 154,905,669 |
| Managed by NMFA | - | 56,580,527 | 26,037,404 | 82,617,931 |
| Receivables: | | | | |
| Accounts receivable, net (Note 3) | 1,343,967 | - | 17,508 | 1,361,475 |
| Interest receivable | - | 12,207 | 15,834 | 28,041 |
| Other receivables | 14,162 | - | 48,121 | 62,283 |
| Due from: | | | | |
| U.S. Department of Transportation (Note 6) | 33,642,661 | - | 7,368,114 | 41,010,775 |
| Other funds (Note 7) | 3,881,876 | - | 250 | 3,882,126 |
| Other state agencies (Note 8) | 62,960,488 | - | 8,212,269 | 71,172,757 |
| Inventories (Note 9) | 15,786,441 | - | - | 15,786,441 |
| Prepaid expenses - other | 15,216 | - | 767 | 15,983 |
| Prepaid expense - NM44 warranty | 14,440,000 | - | - | 14,440,000 |
| Property held for resale | 10,821,310 | - | - | 10,821,310 |
| Total Assets | <u>\$ 235,875,507</u> | <u>\$ 49,639,155</u> | <u>\$ 110,592,229</u> | <u>\$ 396,106,891</u> |
| Liabilities, Deferred Inflows of Resources and Fund Balance: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 54,383,804 | \$ 2,130,000 | \$ 5,945,789 | \$ 62,459,593 |
| Due to: | | | | |
| Other funds (Note 7) | - | - | 3,882,126 | 3,882,126 |
| Other state agencies (Note 12) | 498,216 | - | 114,773 | 612,989 |
| State general fund | 2,358 | - | 558 | 2,916 |
| Local governments (Note 13) | 988,879 | - | 714,519 | 1,703,398 |
| Universities (Note 14) | 445,959 | - | 123,195 | 569,154 |
| Unearned revenue | 1,295 | - | - | 1,295 |
| Other accrued expenses | 5,049,019 | - | 52,265 | 5,101,284 |
| Bank overdrafts | 6,784,094 | - | 4,634,280 | 11,418,374 |
| Other liabilities | 24,325 | - | - | 24,325 |
| Short-term notes payable | | | | |
| (taxable line of credit) (Note 15) | - | - | 14,000,000 | 14,000,000 |
| Total Liabilities | <u>68,177,949</u> | <u>2,130,000</u> | <u>29,467,505</u> | <u>99,775,454</u> |
| Deferred Inflows of Resources: | | | | |
| Amounts unavailable (not received within period of availability) | 325,939 | - | 1,767,609 | 2,093,548 |
| Total Deferred Inflows of Resources | <u>325,939</u> | <u>-</u> | <u>1,767,609</u> | <u>2,093,548</u> |
| Fund Balance: | | | | |
| Non-spendable | 41,062,967 | - | - | 41,062,967 |
| Restricted | 138,191,194 | 47,509,155 | 81,367,233 | 267,067,582 |
| Committed | - | - | - | - |
| Unassigned | (11,882,542) | - | (2,010,118) | (13,892,660) |
| Total Fund Balance | <u>167,371,619</u> | <u>47,509,155</u> | <u>79,357,115</u> | <u>294,237,889</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balance | <u>\$ 235,875,507</u> | <u>\$ 49,639,155</u> | <u>\$ 110,592,229</u> | <u>\$ 396,106,891</u> |

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

As of June 30, 2016

Total Fund Balance - Governmental Funds
(Balance Sheet - Governmental Funds) \$ 294,237,889

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: 2,093,548

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

| | | |
|-------------------------------|-----------------|---------------|
| The cost of capital assets is | 15,409,344,143 | |
| Accumulated depreciation is | (9,653,137,319) | |
| Total capital assets | 5,756,206,824 | 5,756,206,824 |

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) | | (1,281,950,000) |
| Deferred loss on refunding (net of current period amortization) | | 53,134,626 |
| Compensated absences | | (6,806,142) |
| Ineffective swaps | | (46,460,271) |

| | | |
|---|--|---------------|
| Capitalized bond premiums not recorded in the governmental funds as a liability, net of amortization: | | (120,595,491) |
|---|--|---------------|

Net Position of Governmental Activities (Statement of Net Position) **\$ 4,649,860,983**

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

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

For the Year Ended June 30, 2016

| | <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> | | |
| Revenues: | | | | |
| User and fuel taxes | \$ 386,757,337 | \$ - | \$ 25,319,030 | \$ 412,076,367 |
| U.S. Department of Transportation | 378,693,823 | - | 28,684,479 | 407,378,302 |
| Fees and fines | - | - | 64,146 | 64,146 |
| Licenses and permits | 10,148,651 | - | 12,786,125 | 22,934,776 |
| Charges for services | 2,989,564 | - | - | 2,989,564 |
| Other revenue | 12,655,043 | - | 1,054,199 | 13,709,242 |
| Interest earnings | 133,347 | 78,470 | 1,649,904 | 1,861,721 |
| Total Revenues | <u>791,377,765</u> | <u>78,470</u> | <u>69,557,883</u> | <u>861,014,118</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Operating costs | 11,248,910 | - | 92,411 | 11,341,321 |
| Personal services | 100,105,206 | - | 1,107,266 | 101,212,472 |
| Out-of-state travel | 126,233 | - | 33,981 | 160,214 |
| Grants and services | 2,187,840 | - | 62,675,687 | 64,863,527 |
| Travel | 16,638,621 | - | 6,880 | 16,645,501 |
| Maintenance and repairs | 10,663,944 | - | 11,979 | 10,675,923 |
| Supplies | 34,836,284 | - | 63,301 | 34,899,585 |
| Contractual services | 134,585,113 | 1,316,290 | 11,814,803 | 147,716,206 |
| Other costs | 4,268,536 | - | 22,258 | 4,290,794 |
| Employee benefits | 53,982,119 | - | 446,755 | 54,428,874 |
| Capital outlay | 284,773,898 | 28,312,941 | 5,593,247 | 318,680,086 |
| Debt service: | | | | |
| Principal | 63,050,000 | - | 5,590,000 | 68,640,000 |
| Interest | 58,870,355 | - | 5,882,568 | 64,752,923 |
| Total Expenditures | <u>775,337,059</u> | <u>29,629,231</u> | <u>93,341,136</u> | <u>898,307,426</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>16,040,706</u> | <u>(29,550,761)</u> | <u>(23,783,253)</u> | <u>(37,293,308)</u> |
| Other Financing Sources (Uses): | | | | |
| Appropriations | - | - | 27,150,000 | 27,150,000 |
| Reversions (Note 17) | 535,880 | - | (535,880) | - |
| Transfers: severance | - | - | 10,318,367 | 10,318,367 |
| tax bond appropriation | - | - | - | - |
| Transfers: intra/inter-agency (Note 11) | 11,017,119 | - | (12,517,119) | (1,500,000) |
| Total Other Financing Sources (Uses) | <u>11,552,999</u> | <u>-</u> | <u>24,415,368</u> | <u>35,968,367</u> |
| Net Changes in Fund Balance | <u>27,593,705</u> | <u>(29,550,761)</u> | <u>632,115</u> | <u>(1,324,941)</u> |
| Fund Balance, June 30, 2015 | <u>139,777,914</u> | <u>77,059,916</u> | <u>78,725,000</u> | <u>295,562,830</u> |
| Fund Balance, June 30, 2016 | <u>\$ 167,371,619</u> | <u>\$ 47,509,155</u> | <u>\$ 79,357,115</u> | <u>\$ 294,237,889</u> |

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 are recorded as an other financing source in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds, recorded as a liability of \$120,595,491 in the Statement of Net Position, net of \$13,961,982 of amortization, recorded as a decrease to interest expense in the Statement of Net Position:

Amortization of bond premium

13,961,982

Change in Net Position of Governmental Activities (Statement of Activities)

\$ (170,480,343)

See Independent Auditors' Report and Notes to Financial Statements

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

As of June 30, 2016

| | State Infrastructure Bank (SHARE 89300) |
|--|--|
| Assets: | |
| Current Assets: | |
| Cash: (Note 2) | |
| Unrestricted | \$ - |
| Cash equivalents: (Note 2) | |
| (Investment in state general fund investment pool) | |
| Restricted | 19,120,728 |
| Receivables: | |
| Interest receivable | 11,836 |
| Notes and loans receivable (Note 5) | 1,863,000 |
| Due from: | |
| Other state agencies (Note 8) | - |
| Total Current Assets | 20,995,564 |
| Total Assets | \$ 20,995,564 |
| Liabilities and Net Position: | |
| Liabilities: | |
| Current Liabilities: | |
| Accounts payable | \$ - |
| Due to: | |
| Other state agencies (Note 12) | - |
| Local governments (Note 13) | 180,000 |
| Total Current Liabilities | 180,000 |
| Total Liabilities | 180,000 |
| Net Position: | |
| Restricted for: | |
| Loans | 20,815,564 |
| Total Net Position | 20,815,564 |
| Total Liabilities and Net Position | \$ 20,995,564 |

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, 2016

| | <u>State Infrastructure Bank</u> <u>(SHARE 89300)</u> |
|--|--|
| Operating Revenues (Expenses): | |
| Interest income | \$ 11,836 |
| Total Operating Revenues (Expenses) | <u>11,836</u> |
| Non-Operating Revenues (Expenses): | |
| Interest income | 44,561 |
| Interest expense | - |
| Total Non-Operating Revenues (Expenses) | <u>44,561</u> |
| Change in Net Position/Operating Income | 56,397 |
| Net Position, Beginning of Fiscal Year | <u>20,759,167</u> |
| Net Position, End of Fiscal Year | <u><u>\$ 20,815,564</u></u> |

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, 2016

| | State Infrastructure Bank (SHARE 89300) |
|---|--|
| Cash Flows from Operating Activities: | |
| Loans issued | \$ (883,000) |
| Net Cash Provided (Used) by Operating Activities | (883,000) |
| Cash Flows from Investing Activities: | |
| Cash received from interest | 45,969 |
| Net Cash Provided (Used) by Capital and Related Financing Activities | 45,969 |
| Net Increase (Decrease) in Cash and Cash Equivalents | (837,031) |
| Cash and Cash Equivalents at June 30, 2015 | 19,957,759 |
| Cash and Cash Equivalents at June 30, 2016 | \$ 19,120,728 |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | |
| Operating income (loss) | \$ 11,836 |
| Change in assets and liabilities: | |
| (Increase) decrease in due from other agency | (11,836) |
| (Increase) decrease in due to local governments | (883,000) |
| Net Cash Provided (Used) by Operating Activities | \$ (883,000) |

See Independent Auditors' Report and Notes to Financial Statements

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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, 2016

| | STATE ROAD FUND(S) (SHARE 10040 and 20100) | | | |
|--|--|-------------------------|-------------------------------|------------------------|
| | Budgeted Amounts | | Actual | Variance |
| | Original | Final | Amounts (Modified Accrual) | Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Federal funds | \$ 376,748,800 | \$ 440,848,800 | \$ 378,693,823 | \$ (62,154,977) |
| Other state funds | 391,045,100 | 393,490,550 | 412,550,595 | 19,060,045 |
| Transfers outside the agency | - | - | - | - |
| Interest revenue | 440,000 | 440,000 | 133,347 | (306,653) |
| Total Revenues and Other Financing Sources | <u>768,233,900</u> | <u>834,779,350</u> | <u>791,377,765</u> | <u>\$ (43,401,585)</u> |
| Prior Year Funds Rebudgeted | <u>21,954,100</u> | <u>327,611,740</u> | | |
| | <u>\$ 790,188,000</u> | <u>\$ 1,162,391,090</u> | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ 25,598,000 | \$ 25,598,000 | 23,741,249 | \$ 1,856,751 |
| Contractual services | 349,586,500 | 687,658,953 | 343,027,000 | 344,631,953 |
| Other | 138,328,400 | 140,306,982 | 128,268,206 | 12,038,776 |
| Transfers (in) out | - | - | (11,126,119) | 11,126,119 |
| | <u>513,512,900</u> | <u>853,563,935</u> | <u>483,910,336</u> | <u>369,653,599</u> |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | 103,897,500 | 106,897,500 | 105,620,251 | 1,277,249 |
| Contractual services | 50,544,600 | 64,585,645 | 50,898,550 | 13,687,095 |
| Other | 79,310,700 | 94,312,710 | 83,973,316 | 10,339,394 |
| | <u>233,752,800</u> | <u>265,795,855</u> | <u>240,492,117</u> | <u>25,303,738</u> |
| Program Support: | | | | |
| Personal services/employee benefits | 25,820,900 | 25,820,900 | 24,725,825 | 1,095,075 |
| Contractual services | 4,492,200 | 4,492,200 | 1,650,516 | 2,841,684 |
| Other | 12,609,200 | 12,609,200 | 10,935,131 | 1,674,069 |
| Transfers (in) out | - | 109,000 | 109,000 | - |
| | <u>42,922,300</u> | <u>43,031,300</u> | <u>37,420,472</u> | <u>5,610,828</u> |
| Total Annual Budgeted Expenditures and Other Financing Uses | <u>\$ 790,188,000</u> | <u>\$ 1,162,391,090</u> | <u>761,822,925</u> | <u>\$ 400,568,165</u> |
| Non-Budgeted Items: | | | | |
| Reversions | | | (535,880) | |
| Amortization | | | <u>2,497,015</u> | |
| Total Expenditures and Other Financing Uses | | | <u>763,784,060</u> | |
| Excess (Deficiency) of Revenues Over (Under) | | | | |
| Expenditures and Other Financing Sources and Uses | | | <u>\$ 27,593,705</u> | |

The legal level of budgetary compliance is at the appropriation program 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, 2016

| | 2014A BOND PROJECT FUND (SHARE 11970) | | | |
|--|---------------------------------------|-------------|-------------------------------|------------------------|
| | Budgeted Amounts | | Actual | Variance |
| | Original | Final | Amounts (Modified Accrual) | Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Federal funds | \$ - | \$ - | \$ - | \$ - |
| Other state funds | - | - | - | - |
| Transfers outside the agency | - | - | - | - |
| Interest revenue | - | - | 78,470 | 78,470 |
| Total Revenues and Other Financing Sources: | - | - | 78,470 | \$ 78,470 |
| Prior Year Funds Rebudgeted | - | - | | |
| | <u>\$ -</u> | <u>\$ -</u> | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ - | \$ - | - | \$ - |
| Contractual services | - | - | 29,629,231 | (29,629,231) |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| | - | - | 29,629,231 | (29,629,231) |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| | - | - | - | - |
| Program Support: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| | - | - | - | - |
| Total Annual Budgeted Expenditures and Other Financing Uses | <u>\$ -</u> | <u>\$ -</u> | 29,629,231 | <u>\$ (29,629,231)</u> |
| Non-Budgeted Items: | | | | |
| Reversions | | | - | |
| Amortization | | | - | |
| Total Expenditures and Other Financing Uses | | | <u>29,629,231</u> | |
| Excess (Deficiency) of Revenues Over (Under) | | | | |
| Expenditures and Other Financing Sources and Uses | | | <u>\$ (29,550,761)</u> | |

The legal level of budgetary compliance is at the appropriation program 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**

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

See Independent Auditors' Report and Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS

NATURE OF ORGANIZATION

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements for the Department have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The 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 not blended or discretely presented component units during the year ended June 30, 2016.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Basis of Presentation - continued

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

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

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

The Department's major governmental funds are the following:

State Road Fund(s) (Funds #10040 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 Schedule of General Fund Components - Statement of Revenues, Expenditures and Changes in Fund Balance.

2014A Bond Project Fund (Fund #11970). The bond project fund was created by Section 67-3-59.3 NMSA 1978 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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.

State Infrastructure Bank (SIB) Fund (#89300). The 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.

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, 2016, has been reported only in the government-wide financial statements.

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

The financial activities of the Department are recorded in individual funds, each of which is deemed to be a separate accounting entity. The Department uses fund accounting to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. The measurement focus is on the flow of expendable financial resources, rather than on net income determination. All governmental funds are accounted for using the modified accrual basis of accounting. The funds' revenues are recognized in the period in which they become susceptible to accrual (i.e., when they are both measurable and available to pay liabilities in the current period). "Available" is defined as collectible within the current period or soon enough thereafter, within 60 days after year-end, to be used to pay liabilities of the current period. Intergovernmental revenues, including Federal allotments and grants, are recorded in accordance with their legal or contractual requirements if collected in the current period or if collectability is assured subsequent to year-end.

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 a common compliance requirements. The group consists of the following funds: Federal Traffic Safety Fund (#10010), Driver Improvement Fund (#10020), Motorcycle Training Fund (#20600), DWI Prevention and Education Fund (#20700), Traffic Safety Fund (#20800) and 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

Special Revenue Funds – continued

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.

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. The fund is used for the administration of the Ignition Interlock program. 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

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.

1993 Bond Project Fund (#39400). The bond project fund was created by Section 67-3-59.3 NMSA 1978 with 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

Special Revenue Funds – continued

1999A CHAT Bond Project Fund (#43000). The bond project fund was created by Section 67-3-59.3 NMSA 1978 with 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.

2001A CHAT Bond Project Fund (#00600). The bond project fund was created by Section 67-3-59.3 NMSA 1978 with the issuance of the March 2001 \$198,800,000 New Mexico State Highway Commission Senior Subordinate Lien Tax Revenue Bonds Series 2001A. The funds from the sale of the debentures were required to be deposited in a special account with the State Treasurer. Proceeds can also be invested in U.S. Treasury obligations and repurchase agreements with maturities of no more than one year until needed. The funds are to be used to finance state highway projects, pay expenses incurred to issue the debentures and payments of rebate, penalty, interest and other obligations relating to the debentures or the proceeds. The fund does not receive state general fund appropriations that are subject to reversion.

2002C HIF Bond Project Fund (#36100). The bond project fund was created by Section 67-3-59.3 NMSA 1978 with 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

Special Revenue Funds – continued

2002D CHAT Bond Project Fund (#11500). The bond project fund was created by Section 67-3-59.3 NMSA 1978 with 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 by Section 67-3-59.3 NMSA 1978 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 by Section 67-3-59.3 NMSA 1978 with 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 by Section 67-3-59.3 NMSA 1978 with the issuance of the September 2006 \$40,085,000 of State Transportation, Series 2006B Refunding Revenue Bonds. The series 2006B Bonds were issued to provide funds to refund and restructure certain outstanding bonds of the State Transportation Commission.

2006C GRIP Bond Project Fund (#10250). The bond project fund was created by Section 67-3-59.3 NMSA 1978 with 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 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

Special Revenue Funds – continued

2006D GRIP Bond Project Fund (#10270). The bond project fund was created by Section 67-3-59.3 NMSA 1978 with 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 Section 67-3-59.3 NMSA 1978 with 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 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. In September 2010, the Department refunded the Line of Credit with the NMFA State Transportation Revenue and Refunding Revenue Bonds Series 2010A.

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. This fund reverts to the State Road Fund upon completion of the appropriation project or appropriation period.

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.

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). The 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.

Debt Service Funds - Debt Service Funds, created by Section 67-3-59.3 NMSA 1978, 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 1998A 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 2000 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

Debt Service Funds - continued

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.

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 (#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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

Debt Service Funds - continued

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.

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.

2009A Bond Debt Service Fund (#11130). The fund was created when the \$112,345,000 NMFA 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 2012A were issued in December 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.

2014B Bond Debt Service Fund (#50110). The fund was created when the \$79,405,000 NMFA State Transportation Refunding Revenue Bonds Series 2014B were issued in December 2014 to refund certain outstanding bonds of the State Transportation Commission which were issued for the purpose of financing or refinancing projects administered by the New Mexico Department of Transportation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - 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 control 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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Accounts Receivable

Accounts receivable consists of amounts due from various entities: individuals and other state and local agencies located within the State of New Mexico for the sale of maps, brochures and other materials; and for other services performed by the Department. It is the policy of the Department to actively pursue collections of all valid accounts receivable and to comply with Article IV, Section 32 of the New Mexico Constitution that mandates that no amounts owed to the State can be exchanged, transferred, remitted, released or postponed. As a result of this policy, the Department does not write off any receivable balances and, instead, provides an allowance for uncollectible accounts. The Department has specific procedures in place for the treatment and collection of invoices past 30, 60, 90, and 120 days and, any receivables older than 120 days are moved to the allowance account at year end. A detail listing of all uncollectible accounts is maintained and uncollectible accounts are referred to the Department's legal department for possible legal collection actions. The balance of receivables deemed uncollectible through the end of FY16 was \$5,066,248 and a net total of \$859,220 was moved to the uncollectible account during the current fiscal year. A total of \$1,465,345 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 State Board of Finance (Note 4).

Notes and Loans Receivable

Notes and 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, 2016. 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).

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 2016.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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 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 Governments

The amount due back to local governments for unearned revenue for cooperative agreement and State Infrastructure loans (Note 13).

Due to Universities

The amount due to universities of the State of New Mexico related to activity from the State Road Fund, Traffic Safety Funds and the State Aviation Fund (Note 14).

Bank Overdrafts

The amount of negative cash balances in the State General Fund Investment Pool are reported as a Bank Overdrafts liability by fund.

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.

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 2016 the unamortized value was \$14,440,000. The structures, which originally cost \$15,916,345 is being amortized over 11 1/2 years. At the end of fiscal year 2016 this was fully amortized and has no net book value. The remaining amount which originally cost \$13,564,126, is fully amortized and has no net book value after fiscal year ending June 30, 2007 when it became fully amortized. Total prepaid expense at June 30, 2016 was \$14,440,000.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Property Held for Resale

Property held for resale represents excess land acquired through condemnation and is recorded at 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.

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, 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Capital Assets - continued

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, 2016, and includes direct and incremental salary related payments, such as the employees' share of social security taxes.

Long-Term Obligations

Premiums, Discounts and Issuance Costs - In the government-wide financial statements, long-term debt and other long-term obligations are presented in the column for governmental and business-type activities. The same is presented in the proprietary fund financial statements. Bond and note premiums and discounts 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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".

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. Appropriations for periods in excess of twelve months (multiple-year appropriations) lapse at the end of the appropriation period, the budget also lapses, and encumbrances can no longer be charged to that budget. Outstanding encumbrance balances for the Department's Severance Tax Bonds and Special Appropriations are shown in separate supplementary schedules. Significant unexpended encumbrance balances at June 30, 2016 for other multiple year appropriation periods are as follows:

| | | | | |
|-------------------------|-------|--|----|-----------|
| Capital Projects Fund | 10050 | | \$ | 860,412 |
| STB Capital Outlay Fund | 89200 | | | 7,982,648 |
| | | | | 8,843,060 |
| | | | | 8,843,060 |

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Nonspendable Fund Balance

The nonspendable category of fund balance consists of the net financial resources that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable categories of fund balances are summarized below:

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

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

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

Restricted Fund Balance

The restricted category of fund balance consists of the net financial resources that are restricted by either (a) external imposition by creditors (such as debt covenants), grantors, contributors, 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 State Transportation Commission.

Assigned Fund Balance

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

Unassigned Fund Balance

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Pledged Revenue

The Department has pledged future gasoline excise taxes, motor vehicle registration fees, special fuel excise taxes, vehicle transactions fees, driver's license fees, oversize/overweight permit fees, trip (mileage) taxes, weight distance taxes, leased vehicle gross receipts taxes, tire recycling fees and FHWA revenues, to repay \$1.28 billion in State Transportation Revenue and Refunding Bonds issued between 2006 and 2015. 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 \$1.66 billion. Principal and interest paid for the current year and total pledged revenues were \$133,392,923 and \$783,638,123, 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.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position and/or Balance Sheet - Governmental Funds 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Deferred Outflows/Inflows of Resources - continued

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 "measurable" 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.

New Mexico Public Employees Retirement Association (PERA)

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

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

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

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

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

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

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

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

State law (Section 8-6-3 NMSA 1978) requires the Department's cash be managed by the New Mexico State Treasurer's Office. Accordingly, the investments of the Department consist of an interest in the General Fund Investment Pool managed by the New Mexico State Treasurer's Office.

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

2. CASH AND CASH EQUIVALENTS - continued

Cash Equivalents on Deposit with State Treasurer's Office - continued

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

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

| | |
|------------------------------|----------------|
| General Fund Investment Pool | \$ 154,905,669 |
| State Infrastructure Bank | 19,120,728 |
| | \$ 174,026,397 |

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

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

For additional GASB No. 40 disclosure information regarding cash held by the New Mexico State Treasurer, the reader should see the separate audit report for the New Mexico State Treasurer's Office for the fiscal year ended June 30, 2016.

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

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

2. CASH AND CASH EQUIVALENTS - continued

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 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.

At June 30, 2016 the Department had the following managed by NMFA held with Bank of Albuquerque:

| | |
|--|----------------------|
| Bank of Albuquerque, trustee account (Managed by NMFA) | <u>\$ 82,617,931</u> |
|--|----------------------|

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

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

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

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.

3. ACCOUNTS RECEIVABLE

The aging of accounts receivable as of June 30, 2016 is as follows:

| <u>Number of Days Outstanding</u> | | |
|--------------------------------------|-----------|--------------------|
| 0 - 30 | \$ | 571,261 |
| 31 - 60 | | 760,477 |
| 61 - 90 | | 27,890 |
| 91 - 120 | | 1,847 |
| Beyond 120 | | 5,066,248 |
| | | <u>6,427,723</u> |
| Allowance for uncollectible accounts | | <u>(5,066,248)</u> |
| | <u>\$</u> | <u>1,361,475</u> |

4. SEVERANCE TAX BOND PROCEEDS RECEIVABLE

Severance tax bonds proceeds receivable as of June 30, 2016, 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 | \$ | 28,660,858 |
| Sale and reauthorization of severance tax bonds | | 53,306,588 |
| Funding from the State Board of Finance | | (9,566,910) |
| Reversion to the State Board of Finance | | <u>(466,028)</u> |
| Balance, end of year | <u>\$</u> | <u>71,934,508</u> |

The funding for the year ended June 30, 2016 was received under the Laws of 2012, Chapters 64 and 353; Laws of 2013, Chapters 3, 9, 92 and 226; Laws of 2014, Chapters 66 and 226; Laws of 2015, Chapters 3 and 147; Laws of 2016, Chapters 81 and 83.

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 bond 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> | <u>2,280,125</u> |
|---------------------------------|-----------|------------------|

5. NOTES AND LOANS RECEIVABLE

Loans receivable funded by the SIB consist of the following:

| | |
|--|--------------|
| A ten (10) year State Infrastructure Bank note receivable from Town of Peralta at 1% interest secured by property taxes and sewer funds. | \$ 883,000 |
| A two (2) year State Infrastructure Bank note receivable from City of Albuquerque at 1% interest secured by federal funds. | 800,000 |
| A three (3) year State Infrastructure Bank note receivable from Silver City at 1% interest secured by water and sewer funds. | 180,000 |
| | 180,000 |
| | \$ 1,863,000 |

6. DUE FROM U.S. DEPARTMENT OF TRANSPORTATION

Due from U.S. Department of Transportation (USDOT) consists of the following at June 30, 2016:

| | |
|--|---------------|
| <u>Agency</u> | |
| Federal Highway Administration | \$ 33,642,661 |
| Less allowance for uncollectible amounts | - |
| Total Federal Highway Administration | 33,642,661 |
| Other USDOT Agencies | 7,368,114 |
| | 7,368,114 |
| Total USDOT | \$ 41,010,775 |

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, 2016 consist of the following:

| | Fund Number | Due From Other Funds | Due to Other Funds | Net (Sub-totals only) |
|---|-----------------|-------------------------|-----------------------|--------------------------|
| General Funds: | | | | |
| State Road Fund(s) | 10040 and 20100 | \$ 3,881,876 | \$ - | |
| Total General Funds | | <u>3,881,876</u> | <u>-</u> | <u>\$ 3,881,876</u> |
| Special Revenue Funds: | | | | |
| 2006A GRIP Bond Project Fund | 10210 | - | 162,514 | |
| 2006B GRIP Bond Project Fund | 10230 | - | 10,401 | |
| 2006C GRIP Bond Project Fund | 10250 | - | 179,404 | |
| Total Special Revenue Funds | | <u>-</u> | <u>352,319</u> | <u>(352,319)</u> |
| Debt Service Funds: | | | | |
| 2008AGRIP Bond Debt Service Fund | 10410 | - | 550,033 | |
| 2008B GRIP Bond Debt Service Fund | 10420 | 250 | 2,570,292 | |
| 2008C GRIP Bond Debt Service Fund | 10430 | - | 404,702 | |
| 2014B Bond Debt Service Fund | 50110 | - | 4,780 | |
| Total Debt Service Funds | | <u>250</u> | <u>3,529,807</u> | <u>(3,529,557)</u> |
| Total Capital Projects Funds | | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Enterprise Funds | | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Interfund Receivables and Payables | | <u>\$ 3,882,126</u> | <u>\$ 3,882,126</u> | <u>\$ -</u> |
| Summary | | | | |
| Total General Funds - net | | | | \$ 3,881,876 |
| Total Special Revenue Funds - net | | | | (352,319) |
| Total Debt Service Funds - net | | | | (3,529,557) |
| Total Capital Projects Funds - net | | | | - |
| Total Governmental – net | | | | <u>-</u> |
| Total Enterprise Funds – net | | | | <u>-</u> |
| Total All Funds | | | | <u>\$ -</u> |

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Notes to Financial Statements

8. DUE FROM OTHER STATE AGENCIES

| Fund Description | Fund Number | Sub-total | Total | Due From |
|-----------------------------------|-------------|------------------|-----------------------------|--------------------------------------|
| Traffic Safety Fund | 20800 | \$ 56,242 | | Administrative Office of the Courts |
| Total fees due | | | <u>\$ 56,242</u> | |
| State Road Fund | 20100 | 62,953,538 | | Taxation and Revenue Department |
| HIF Bond Fund | 20200 | 1,248,584 | | Taxation and Revenue Department |
| Local Government Road Fund | 20300 | 3,661,572 | | Taxation and Revenue Department |
| State Aviation Fund | 20500 | 846,489 | | Taxation and Revenue Department |
| Motorcycle Training Fund | 20600 | 15,234 | | Taxation and Revenue Department |
| DWI Prevention and Education Fund | 20700 | 37,440 | | Taxation and Revenue Department |
| Traffic Safety Fund | 20800 | 30,483 | | Taxation and Revenue Department |
| Ignition Interlock Fund | 82600 | <u>36,100</u> | | Taxation and Revenue Department |
| Total taxes due | | | <u>68,829,440</u> | |
| State Road Fund | 20100 | 5 | | Department of Health |
| State Road Fund | 20100 | 6,000 | | Department of Information Tech |
| State Road Fund | 20100 | 93 | | Energy, Minerals & Natural Resources |
| State Road Fund | 20100 | 50 | | Military Affairs Department |
| State Road Fund | 20100 | 802 | | Public Regulation Commission |
| STB Capital Outlay Fund | 89200 | <u>2,280,125</u> | | DFA Board of Finance |
| Total reimbursement due | | | <u>2,287,075</u> | |
| Total Government-wide | | | <u><u>\$ 71,172,757</u></u> | |

9. INVENTORY

Inventory as of June 30, 2016 consists of the following:

| | |
|--|-----------------------------|
| Highway maintenance materials stockpiled | \$ 9,946,782 |
| Repair Parts and expendable supplies | 5,392,662 |
| Fuel, oil and lubricants | <u>446,997</u> |
| | <u><u>\$ 15,786,441</u></u> |

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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, 2016 follows:

| | Beginning Balance | Additions | Adjustments & | |
|---|-------------------------|-------------------------|-------------------|-----------------------|
| | June 30, 2015 | | Transfers | Retirements |
| Non-Depreciable Assets: | | | | |
| Construction in Progress | \$ 287,505,146 | \$ 294,726,347 | \$ - | \$ - |
| Rail System Infrastructure - Right of Way | 77,252,100 | - | (2,655) | - |
| Land | 5,177,044 | - | - | - |
| Right of Way | 424,473,543 | - | (134,400) | - |
| Total Non-Depreciable Assets | 794,407,833 | 294,726,347 | (137,055) | - |
| Depreciable Assets: | | | | |
| Infrastructure | 14,143,630,369 | - | - | (508,461,147) |
| Automotive and Major Road Fund Equipment | 221,799,395 | 21,753,723 | 974,410 | (8,351,450) |
| Rail System Infrastructure | 367,768,679 | - | - | - |
| Buildings | 49,468,395 | 170,794 | (333,674) | (72,585) |
| Equipment and Furniture | 31,643,272 | 2,029,222 | (221,401) | (1,564,550) |
| Library | 113,566 | - | - | - |
| Total Depreciable Assets | 14,814,423,676 | 23,953,739 | 419,335 | (518,449,732) |
| Total Assets | 15,608,831,509 | 318,680,086 | 282,280 | (518,449,732) |
| Less Accumulated Depreciation: | | | | |
| Infrastructure | (9,301,056,429) | (525,824,650) | - | 508,461,147 |
| Automotive and Major Road Fund Equipment | (153,964,714) | (11,811,382) | (25,306) | 7,316,319 |
| Rail System Infrastructure | (105,612,169) | (14,710,747) | - | - |
| Buildings | (29,474,097) | (807,667) | 114 | 27,683 |
| Equipment and Furniture | (25,273,959) | (1,855,276) | 25,192 | 1,553,416 |
| Library | (103,229) | (1,565) | - | - |
| Total Accumulated Depreciation | (9,615,484,597) | (555,011,287) | - | 517,358,565 |
| Net Total | \$ 5,993,346,912 | \$ (236,331,201) | \$ 282,280 | \$ (1,091,167) |

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

Depreciation:

| | |
|---------------------------------------|--------------------|
| Programs and infrastructure | \$ 525,824,650 |
| Transportation and highway operations | 14,710,747 |
| Program support | 14,475,890 |
| | <u>555,011,287</u> |

Amortization

| | |
|--|------------------------------|
| | 2,497,015 |
| Total Depreciation and Amortization | <u><u>\$ 557,508,302</u></u> |

10. CAPITAL ASSETS - continued

| CIP Reclassifications | Ending Balance June 30, 2016 |
|--------------------------|---------------------------------|
| \$ (245,384,476) | \$ 336,847,017 |
| - | 77,249,445 |
| - | 5,177,044 |
| 3,424,355 | 427,763,498 |
| <u>(241,960,121)</u> | <u>847,037,004</u> |
| 241,960,121 | 13,877,129,343 |
| - | 236,176,078 |
| - | 367,768,679 |
| - | 49,232,930 |
| - | 31,886,543 |
| - | 113,566 |
| <u>241,960,121</u> | <u>14,562,307,139</u> |
| <u>-</u> | <u>15,409,344,143</u> |
| - | (9,318,419,932) |
| - | (158,485,083) |
| - | (120,322,916) |
| - | (30,253,967) |
| - | (25,550,627) |
| - | (104,794) |
| <u>-</u> | <u>(9,653,137,319)</u> |
| <u>\$ -</u> | <u>\$ 5,756,206,824</u> |

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Notes to Financial Statements

11. OPERATING TRANSFERS

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

| | State Road Fund(s) (Multi) | 2001A CHAT Bond Project Fund (SHARE 00600) | 2001A CHAT Bond Debt Service Fund (SHARE 00700) | Federal Plan & Dev Fund (SHARE 10030) | Capital Projects Fund (SHARE 10050) | 2004A GRIP Bond Debt Service Fund (SHARE 10080) |
|-----|----------------------------------|---|--|--|--|--|
| (1) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (963) |
| (2) | - | - | - | - | 1,600,000 | - |
| (3) | 414,716 | - | - | (414,716) | - | - |
| (4) | 6,605 | - | - | - | - | - |
| (5) | 529,275 | - | - | - | (529,275) | - |
| (6) | - | - | (1,651,520) | - | - | - |
| (7) | 10,711,403 | (4,752,908) | (235,499) | - | - | - |
| (8) | (109,000) | - | - | - | 109,000 | - |
| | <u>\$ 11,552,999</u> | <u>\$ (4,752,908)</u> | <u>\$ (1,887,019)</u> | <u>\$ (414,716)</u> | <u>\$ 1,179,725</u> | <u>\$ (963)</u> |

- (1) Transfer of residual cash within Debt Service funds for current year debt obligations
- (2) Transfer of funds out of the Special Revenue Bond Projects Fund 39400 and into the Capital Projects Fund 10050
- (3) Transfer excess Fund Balance created from accounting adjustments in Prior Years
- (4) Transfer of funds Motorcycle Training funds per NMSA 66-10-10 (F)
- (5) Capital Project Reversions from Fund 10050 to 20100
- (6) Transfer of due to/due from related to swap funds 10410, 10420 and 10430
- (7) Transfer of residual fund balances to the Road Fund
- (8) Transfer of funds for boiler replacement per Chapter 3, Section 83, Laws of 2015

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Notes to Financial Statements

11. OPERATING TRANSFERS - continued

| | 2004B GRIP Bond Debt Service Fund (SHARE 10090) | 2006A GRIP Bond Project Fund (SHARE 10210) | 2006B GRIP Bond Project Fund (SHARE 10230) | 2006C GRIP Bond Project Fund (SHARE 10250) | 2008A GRIP Bond Debt Service Fund (SHARE 10410) | 2008B GRIP Bond Debt Service Fund (SHARE 10420) |
|-----|--|---|---|---|--|--|
| (1) | \$ (1,541,501) | \$ - | \$ - | \$ - | \$ 422,812 | \$ 808,416 |
| (2) | - | - | - | - | - | - |
| (3) | - | - | - | - | - | - |
| (4) | - | - | - | - | - | - |
| (5) | - | - | - | - | - | - |
| (6) | - | - | - | - | 821,159 | 3,839,003 |
| (7) | - | (487,488) | (60,073) | (179,403) | - | - |
| (8) | - | - | - | - | - | - |
| | <u>\$ (1,541,501)</u> | <u>\$ (487,488)</u> | <u>\$ (60,073)</u> | <u>\$ (179,403)</u> | <u>\$ 1,243,971</u> | <u>\$ 4,647,419</u> |

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Notes to Financial Statements

11. OPERATING TRANSFERS - continued

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

| | 2008C GRIP | 2002D CHAT | 2002D CHAT | Motorcycle | 2002C HIF | 2002C HIF |
|-----|----------------------|----------------------|----------------------|----------------------|-----------------------|----------------------|
| | Bond Debt | Bond Project | Bond Debt | Training | Bond Project | Bond Debt |
| | Service Fund | Fund | Service Fund | Fund | Fund | Service Fund |
| | (SHARE 10430) | (SHARE 11500) | (SHARE 18700) | (SHARE 20600) | (SHARE 36100) | (SHARE 36300) |
| (1) | \$ 311,236 | \$ - | \$ - | \$ - | \$ - | \$ - |
| (2) | - | - | - | - | - | - |
| (3) | - | - | - | - | - | - |
| (4) | - | - | - | (6,605) | - | - |
| (5) | - | - | - | - | - | - |
| (6) | 604,465 | - | - | - | - | - |
| (7) | - | (641,758) | (12,903) | - | (1,313,633) | (62,697) |
| (8) | - | - | - | - | - | - |
| | <u>\$ 915,701</u> | <u>\$ (641,758)</u> | <u>\$ (12,903)</u> | <u>\$ (6,605)</u> | <u>\$ (1,313,633)</u> | <u>\$ (62,697)</u> |

- (1) Transfer of residual cash within Debt Service funds for current year debt obligations
- (2) Transfer of funds out of the Special Revenue Bond Projects Fund 39400 and into the Capital Projects Fund 10050
- (3) Transfer excess Fund Balance created from accounting adjustments in Prior Years
- (4) Transfer of funds Motorcycle Training funds per NMSA 66-10-10 (F)
- (5) Capital Project Reversions from Fund 10050 to 20100
- (6) Transfer of due to/due from related to swap funds 10410, 10420 and 10430
- (7) Transfer of residual fund balances to the Road Fund
- (8) Transfer of funds for boiler replacement per Chapter 3, Section 83, Laws of 2015

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Notes to Financial Statements

11. OPERATING TRANSFERS - continued

| | 1993 Bond Project Fund (SHARE 39400) | 1999A CHAT Bond Project Fund (SHARE 43000) | 2000 CHAT Bond Debt Service Fund (SHARE 43200) | 1999 CHAT Bond Debt Service Fund (SHARE 43400) | 2002A CHAT Bond Debt Service Fund (SHARE 54700) | 1998A CHAT Bond Debt Service Fund (SHARE 54800) |
|-----|---|---|---|---|--|--|
| (1) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| (2) | (1,600,000) | - | - | - | - | - |
| (3) | - | - | - | - | - | - |
| (4) | - | - | - | - | - | - |
| (5) | - | - | - | - | - | - |
| (6) | - | - | (1,184,452) | (750,144) | (690,434) | (86,180) |
| (7) | (4,774) | (2,133,351) | (205,584) | (268,168) | (84,187) | (142,628) |
| (8) | - | - | - | - | - | - |
| | <u>\$ (1,604,774)</u> | <u>\$ (2,133,351)</u> | <u>\$ (1,390,036)</u> | <u>\$ (1,018,312)</u> | <u>\$ (774,621)</u> | <u>\$ (228,808)</u> |

11. OPERATING TRANSFERS - continued

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

| | 2002B WIPP Bond Debt Service Fund (SHARE 75000) | 1998A WIPP Bond Debt Service Fund (SHARE 97200) | Total all Intra-agency Transfers |
|-----|--|--|--|
| (1) | \$ - | \$ - | \$ - |
| (2) | - | - | - |
| (3) | - | - | - |
| (4) | - | - | - |
| (5) | - | - | - |
| (6) | (702,644) | (199,253) | - |
| (7) | (111,733) | (14,616) | - |
| (8) | - | - | - |
| | \$ (814,377) | \$ (213,869) | \$ - |

- (1) Transfer of residual cash within Debt Service funds for current year debt obligations
- (2) Transfer of funds out of the Special Revenue Bond Projects Fund 39400 and into the Capital Projects Fund 10050
- (3) Transfer excess Fund Balance created from accounting adjustments in Prior Years
- (4) Transfer of funds Motorcycle Training funds per NMSA 66-10-10 (F)
- (5) Capital Project Reversions from Fund 10050 to 20100
- (6) Transfer of due to/due from related to swap funds 10410, 10420 and 10430
- (7) Transfer of residual fund balances to the Road Fund
- (8) Transfer of funds for boiler replacement per Chapter 3, Section 83, Laws of 2015

11. OPERATING TRANSFERS - continued

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

| | DWI Prevention and Education Fund (SHARE 20700) | Ignition Interlock Fund (SHARE 82600) | Total all Inter-agency Transfers |
|------|--|--|---|
| (9) | \$ - | \$ 300,000 | \$ 300,000 |
| (10) | (200,000) | - | (200,000) |
| (11) | (100,000) | - | (100,000) |
| (12) | - | (1,000,000) | (1,000,000) |
| (13) | - | (500,000) | (500,000) |
| | <u>\$ (300,000)</u> | <u>\$ (1,200,000)</u> | <u>\$ (1,500,000)</u> |

- (9) Transfer from Department of Finance and Administration to the Department of Transportation for DWI program
- (10) Transfer to Admin Office of the Courts per 2015 1st SS - SB1, Section 57 - (DWI Prevention and Education Fund)
- (11) Transfer to Bernalillo Metro Court per 2015 1st SS - SB1, Section 58 - (DWI Prevention and Education Fund)
- (12) Transfer to General Services Dept (for State Police/DPS) per 2015 1st SS - SB1, Section 65 - (Interlock Device Fund)
- (13) Transfer to Admin Office of the Courts per 2015 1st SS - SB1, Section 66 - (Interlock Device Fund)

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Notes to Financial Statements

12. DUE TO OTHER STATE AGENCIES

| Fund Description | Fund Number | Due To | Total |
|------------------------------|---|--------------------------------------|--------------------------|
| Traffic Safety Fund(s) | 10010, 10020, 20600, 20700, 20800, 82600 | Administrative Office of the Courts | \$ 97,797 |
| | | Bernalillo County Metro Court | 11,892 |
| | | Department of Health | 5,084 |
| State Road Fund(s) | 10040 and 20100 | Children, Youth & Family Department | 101 |
| | | Corrections Department | 23,646 |
| | | Department of Cultural Affairs | 69,194 |
| | | Department of Public Safety | 308,628 |
| | | Energy, Minerals & Natural Resources | 96,066 |
| | | Homeland Security & Emergency Manag | 164 |
| | | Human Services Department | 69 |
| | | Miner Colfax Medical Center | 210 |
| | | Taxation and Revenue Department | 138 |
| | | Total Governmental Funds | |
| | | Administrative Office of the Courts | \$ 97,797 |
| | | Bernalillo County Metro Court | 11,892 |
| | | Children, Youth & Family Department | 101 |
| | | Corrections Department | 23,646 |
| | | Department of Cultural Affairs | 69,194 |
| | | Department of Health | 5,084 |
| | | Department of Public Safety | 308,628 |
| | | Energy, Minerals & Natural Resources | 96,066 |
| | | Homeland Security & Emergency Manag | 164 |
| | | Human Services Department | 69 |
| | | Miner Colfax Medical Center | 210 |
| | | Taxation and Revenue Department | 138 |
| Total Government-wide | | | <u><u>\$ 612,989</u></u> |

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Notes to Financial Statements

13. DUE TO LOCAL GOVERNMENTS

| Fund Description | Fund Number | Due To | Total |
|------------------------|---|------------------------------|-----------|
| General Funds: | | | |
| Traffic Safety Fund(s) | 10010, 10020, 20600, 20700, 20800, 82600 | City of Albuquerque | \$ 64,177 |
| | | City of Artesia | 951 |
| | | City of Aztec | 1,154 |
| | | City of Bayard | 2,561 |
| | | Town of Bernalillo | 2,275 |
| | | City of Bloomfield | 979 |
| | | Village of Bosque Farms | 636 |
| | | Village of Capitan | 421 |
| | | Town of Carrizozo | 1,020 |
| | | Chaves County | 941 |
| | | Town of Clayton | 1,044 |
| | | City of Clovis | 6,266 |
| | | Colfax County | 1,978 |
| | | Village of Cuba | 1,523 |
| | | County of Dona Ana | 9,268 |
| | | Town of Edgewood | 966 |
| | | Town of Estancia | 43 |
| | | City of Farmington | 13,006 |
| | | Grant County Clerk | 2,501 |
| | | City of Hobbs | 2,815 |
| | | Town of Hurley | 899 |
| | | City of Las Cruces | 20,989 |
| | | County of Lincoln | 10,000 |
| | | County of Los Alamos | 466 |
| | | City of Lovington | 2,465 |
| | | County of Mora | 291 |
| | | Ohkay Owingeh Tribal Council | 416 |
| | | Otero County | 206 |
| | | City of Portales | 301 |
| | | Ramah Navajo Chapter | 197 |
| | | City of Raton | 991 |
| | | County of Rio Arriba | 13,014 |
| | | City of Rio Rancho | 75,343 |
| | | County of Roosevelt | 553 |
| | | Village of Ruidoso | 1,986 |
| | | San Juan County | 7,134 |

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Notes to Financial Statements

13. DUE TO LOCAL GOVERNMENTS - continued

| Fund Description | Fund Number | Due To | Total |
|-------------------------------------|---|--------------------------------------|---------|
| General Funds - continued: | | | |
| Traffic Safety Fund(s) - continued | 10010, 10020, 20600, 20700, 20800, 82600 | Sandoval County | 15,612 |
| | | City of Santa Fe | 4,362 |
| | | Santa Fe County | 20,630 |
| | | Silver City/Grant County | 1,071 |
| | | Socorro County | 504 |
| | | Treasurer of Sunland Park | 4,066 |
| | | Taos County | 6,214 |
| | | Torrance County | 5,932 |
| | | City of Truth or Consequences | 630 |
| | | City of Tucumcari | 666 |
| | | County of Valencia | 2,140 |
| Federal Planning & Development Fund | 10030 | El Paso Metropolitan Planning Organ. | 8,474 |
| | | Grant County | 35,694 |
| | | City of Las Cruces | 20,308 |
| | | City of Las Vegas | 10,603 |
| | | Mid-Region Council of Governments | 18,164 |
| | | Village of Milan | 10,941 |
| | | The Navajo Nation | 21,002 |
| | | City of Ruidoso Downs | 11,684 |
| State Road Fund | 20100 | City of Albuquerque | 149,751 |
| | | Albuquerque Bernalillo County Water | 17,847 |
| | | City of Artesia | 55 |
| | | Town of Bernalillo | 340 |
| | | City of Bloomfield | 345 |
| | | Village of Capitan | 149 |
| | | City of Carlsbad | 269 |
| | | Town of Carrizozo | 36 |
| | | Village of Chama | 96 |
| | | Town of Clayton | 77 |
| | | Village of Corona | 78 |
| | | Eastern Plains Council of Govmts. | 24,659 |
| | | El Paso Metropolitan Planning Organ. | 155,325 |
| | | City of Farmington | 38,212 |
| | | City of Jal | 36 |
| | | Jicarilla Tribe | 52 |
| | | Kit Carson Electric | 3,150 |
| | | City of Las Vegas | 8,540 |

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Notes to Financial Statements

13. DUE TO LOCAL GOVERNMENTS - continued

| Fund Description | Fund Number | Due To | Total |
|-----------------------------------|-------------|--------------------------------------|------------------|
| General Funds - continued: | | | |
| State Road Fund - continued | 20100 | Lea County | 118 |
| | | Lea County Electric | 59 |
| | | County of Los Alamos | 500 |
| | | Mid-Region Council of Governments | 274,188 |
| | | City of Moriarty | 315 |
| | | Town of Mountainair | 274 |
| | | Navajo Tribal Utility | 2,464 |
| | | North Central New Mexico Economic | 44,686 |
| | | Otero County Electric Company | 2,512 |
| | | Penasco Mutual | 65 |
| | | Penasco Valley Telephone | 141 |
| | | Raton Natural Gas | 1,237 |
| | | Raton Public Service | 1,488 |
| | | City of Rio Rancho | 91,443 |
| | | Roosevelt County Water Coop | 68 |
| | | City of Roswell | 90 |
| | | S. Sandoval Cnty Arroyo Flood Contr. | 44,117 |
| | | City of Santa Fe | 102,322 |
| | | Santa Fe Solid Waste | 739 |
| | | Southwest New Mexico Council | 20,248 |
| | | Town of Taos | 100 |
| | | Town of Tatum | 23 |
| | | Tierra Amarilla Mutual | 42 |
| | | Village of Tijeras | 115 |
| | | Tres Piedras Water Association | 42 |
| | | Town of Vaughn | 100 |
| | | Wagon Mound | 200 |
| | | Waste Management of New Mexico | 2,166 |
| Local Government Road Fund | 20300 | City of Espanola | 41,657 |
| | | Village of Jemez Springs | 35,000 |
| | | Village of Milan | 137,238 |
| State Aviation Fund | 20500 | City of Albuquerque | 5,576 |
| STB Capital Outlay Fund | 89200 | Treasurer of Sunland Park | 46,575 |
| Total Government Funds | | | <u>1,703,398</u> |

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Notes to Financial Statements

13. DUE TO LOCAL GOVERNMENTS - continued

| Fund Description | Fund Number | Due To | Total |
|-------------------------------|-------------|---------------------|---------------------|
| Enterprise Funds: | | | |
| State Infrastructure Fund | 89300 | Town of Silver City | 180,000 |
| Total Enterprise Funds | | | <u>180,000</u> |
| Total Government-wide | | | <u>\$ 1,883,398</u> |

14. DUE TO UNIVERSITIES

| Fund Description | Fund Number | Due To | Total |
|------------------------------|---|------------------------------|-------------------|
| State Road Fund | 20100 | New Mexico State University | \$ 300,343 |
| | | The University of New Mexico | 145,616 |
| Traffic Safety Fund(s) | 10010, 10020, 20600, 20700, 20800, 82600 | The University of New Mexico | 120,663 |
| State Aviation Fund | 20500 | The University of New Mexico | <u>2,532</u> |
| Total Government-wide | | | <u>\$ 569,154</u> |

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Notes to Financial Statements

15. LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended June 30, 2016:

| Governmental Activities | Balance at June 30, 2015 | Increase | Decrease | Ending Balance June 30, 2016 | Amounts due within one year |
|------------------------------------|-------------------------------------|---------------------|------------------------|---|--|
| 2006A GRIP Bonds | \$ 11,305,000 | \$ - | \$ (3,535,000) | \$ 7,770,000 | \$ 3,550,000 |
| 2006B GRIP Bonds | 2,935,000 | - | (1,435,000) | 1,500,000 | 1,500,000 |
| 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 | 10,260,000 | - | (5,195,000) | 5,065,000 | 5,065,000 |
| 2010A Refunding Bonds | 95,220,000 | - | (12,595,000) | 82,625,000 | 13,265,000 |
| 2010B Refunding Bonds | 444,800,000 | - | (395,000) | 444,405,000 | 69,180,000 |
| 2012A Refunding Bonds | 216,555,000 | - | (45,485,000) | 171,070,000 | 1,095,000 |
| 2014A Revenue Bonds | 70,110,000 | - | - | 70,110,000 | - |
| 2014B Refunding Bonds | 79,405,000 | - | - | 79,405,000 | - |
| Debentures | 1,350,590,000 | - | (68,640,000) | 1,281,950,000 | 93,655,000 |
| Compensated absences payable | 6,173,134 | 6,068,177 | (5,435,169) | 6,806,142 | 6,806,142 |
| Total obligations | 1,356,763,134 | \$ 6,068,177 | \$ (74,075,169) | 1,288,756,142 | \$ 100,461,142 |
| Less current portion | (74,813,134) | | | (100,461,142) | |
| Net long-term obligations | \$ 1,281,950,000 | | | \$ 1,188,295,000 | |
| Unamortized bond premium | \$ 134,557,473 | \$ - | \$ (13,961,982) | \$ 120,595,491 | \$ 13,961,982 |

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, 2015 | Increase | Decrease | Ending Balance June 30, 2016 | Amounts due within one year |
|------------------------------------|-------------------------------------|-----------------|-----------------|---|--|
| Deferred loss on refunding | \$ 59,106,726 | - | (5,972,100) | \$ 53,134,626 | 6,097,553 |

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.

15. 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 \$154,065,000 were considered defeased in substance as of June 30, 2016.

The cumulative deferred amount on the refundings of \$53,134,626 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 to both of 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.

15. 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 | October 6, 2008 |
| 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.

15. LONG-TERM OBLIGATIONS - continued

Fair Value

The estimated fair value of the swaps at June 30, 2016 was as follows:

| <u>Counterparty</u> | <u>Notional Value</u> | <u>Fair Value *</u> |
|----------------------|-----------------------|-------------------------|
| Goldman Sachs | \$ 50,000,000 | \$ (11,615,068) |
| Deutsche | 50,000,000 | (11,615,068) |
| Royal Bank of Canada | 100,000,000 | (23,230,135) |
| JPMorgan Chase Bank | 110,000,000 | (36,277,376) |
| UBS AG | 110,000,000 | (36,277,376) |
| | <u>\$ 420,000,000</u> | <u>\$ (119,015,023)</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, 2016 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, 2016. Negative amounts indicate payments that would have been made by the Department to the counterparties.

Investments Measured at Fair Value

The Department categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Department has the following recurring fair value measurements as of June 30, 2016:

- Interest Rate Swaps of \$119,015,023 are valued in Level 2 of the fair value hierarchy using a market approach that considers benchmark interest rates and are disclosed as a liability at the fiscal year end.

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 an expense in the amount of \$7,399,432. The remaining effective swaps are deemed a hedge and reported as a deferred outflow of resources in the amount of \$72,554,752, which consists of the JP Morgan Chase Bank and UBS AG swap agreements.

15. LONG-TERM OBLIGATIONS - continued

Fair Value - continued

Associated Debt

| Variable Rate Debt* | Par Value | 2016 Debt Service | | Net Variable Made (Received) | Total Net Interest Paid | Effective Interest Rate |
|------------------------|----------------|-------------------|-------------------|---------------------------------|----------------------------|----------------------------|
| | | Principal | Fixed Interest | | | |
| Series 2008A and C | \$ 200,000,000 | \$ - | \$ 7,868,000 | \$ 932,908 | \$ 8,800,908 | 4.400% |
| Series 2008B | 220,000,000 | - | 11,158,400 | 63,883 | 11,222,283 | 5.101% |

* 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.

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, 2016, were:

| | <u>Moody's</u> | <u>S&P</u> | <u>Fitch</u> |
|----------------------|----------------|----------------|--------------|
| Goldman Sachs | Aa2 | AA- | N/A |
| Deutsche | A3 | BBB+ | A- |
| Royal Bank of Canada | Aa3 | AA- | AA |
| JP Morgan Chase | Aa3 | A+ | AA- |
| 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 \$9,890,000 at UBS, \$9,570,000 at JPM, and \$4,780,000 at RBC as of June 30, 2016. 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.

15. LONG-TERM OBLIGATIONS - continued

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 short-term Taxable Lines of Credit were established. There was \$14,000,000 outstanding on the line of credit from the Royal Bank of Canada at the end of the fiscal year, with no beginning balance, \$16,000,000 borrowed and \$2,000,000 repaid during the year. In addition, during the year there was a line of credit from the Bank of America that did not have a balance at the end of the fiscal year, a beginning balance of \$10,500,000, \$8,000,000 borrowed and \$18,500,000 repaid during the fiscal year.

| | |
|---|---------------|
| SHARE Fund 10410 - 2008A GRIP Bond Debt Service Fund | \$ 3,840,000 |
| SHARE Fund 10420 - 2008B GRIP Bond Debt Service Fund | 7,333,333 |
| SHARE Fund 10430 - 2008C GRIP Bond Debt Service Fund | 2,826,667 |
| Total Short-term Notes Payable (Taxable Line of Credit) | \$ 14,000,000 |

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.

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.

15. 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 2023.

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

In December 2014, \$68,250,000 was refunded by the 2014B Refunding Revenue Bonds.

The Department's future scheduled annual requirements to amortize the Bonds, including interest payments of \$495,069, are as follows:

| <u>Year Ended June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|----------------------------|---------------------|-------------------|---------------------|
| Series 2006A GRIP: | | | |
| 2017 | \$ 3,550,000 | \$ 287,388 | \$ 3,837,388 |
| 2018 | 3,570,000 | 114,775 | 3,684,775 |
| 2019 | 150,000 | 22,906 | 172,906 |
| 2020 | - | 20,000 | 20,000 |
| 2021 | - | 20,000 | 20,000 |
| 2022-2023 | 500,000 | 30,000 | 530,000 |
| Total | <u>\$ 7,770,000</u> | <u>\$ 495,069</u> | <u>\$ 8,265,069</u> |

15. LONG-TERM OBLIGATIONS - continued

Bonds Issued by NMFA - continued

Series 2006B GRIP

On September 19, 2006, the Authority issued \$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. 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 2017.

In December 2014, \$19,775,000 was refunded by the 2014B Refunding Revenue Bonds.

The Department's future scheduled annual requirements to amortize the Bonds, including interest payments of \$29,544, are as follows:

| <u>Year Ended June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|----------------------------|---------------------|------------------|---------------------|
| Series 2006B GRIP: | | | |
| 2017 | \$ 1,500,000 | \$ 29,544 | \$ 1,529,544 |
| Total | <u>\$ 1,500,000</u> | <u>\$ 29,544</u> | <u>\$ 1,529,544</u> |

15. 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 \$34,814,350, are as follows:

| <u>Year Ended June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|----------------------------|-----------------------|----------------------|-----------------------|
| Series 2008A GRIP: | | | |
| 2017 | \$ - | \$ 4,549,301 | \$ 4,549,301 |
| 2018 | - | 4,531,968 | 4,531,968 |
| 2019 | - | 4,531,968 | 4,531,968 |
| 2020 | - | 4,531,968 | 4,531,968 |
| 2021 | - | 4,531,968 | 4,531,968 |
| 2022-2025 | 115,200,000 | 12,137,177 | 127,337,177 |
| Total | <u>\$ 115,200,000</u> | <u>\$ 34,814,350</u> | <u>\$ 150,014,350</u> |

15. 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 \$98,304,908, are as follows:

| <u>Year Ended June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|----------------------------|-----------------------|----------------------|-----------------------|
| Series 2008B GRIP: | | | |
| 2017 | \$ - | \$ 10,436,400 | \$ 10,436,400 |
| 2018 | - | 10,410,400 | 10,410,400 |
| 2019 | - | 10,410,400 | 10,410,400 |
| 2020 | - | 10,410,400 | 10,410,400 |
| 2021 | - | 10,410,400 | 10,410,400 |
| 2022-2026 | 207,600,000 | 45,933,524 | 253,533,524 |
| 2027 | 12,400,000 | 293,384 | 12,693,384 |
| Total | <u>\$ 220,000,000</u> | <u>\$ 98,304,908</u> | <u>\$ 318,304,908</u> |

15. 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 \$25,632,844, are as follows:

| <u>Year Ended June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|----------------------------|----------------------|----------------------|-----------------------|
| Series 2008C GRIP: | | | |
| 2017 | \$ - | \$ 3,354,405 | \$ 3,354,405 |
| 2018 | - | 3,336,032 | 3,336,032 |
| 2019 | - | 3,336,032 | 3,336,032 |
| 2020 | - | 3,336,032 | 3,336,032 |
| 2021 | - | 3,336,032 | 3,336,032 |
| 2022-2024 | <u>84,800,000</u> | <u>8,934,311</u> | <u>93,734,311</u> |
| Total | <u>\$ 84,800,000</u> | <u>\$ 25,632,844</u> | <u>\$ 110,432,844</u> |

15. LONG-TERM OBLIGATIONS - continued

Bonds Issued by NMFA - 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, with rates ranging from 2.0% to 5.0% per annum, is payable semi-annually on June 15 and December 15 through the year 2017.

The Department's future scheduled annual requirement to amortize the Bonds, including interest payments of \$202,600, are as follows:

| <u>Year Ended June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|----------------------------|---------------------|-------------------|---------------------|
| Series 2009A Refunding: | | | |
| 2017 | \$ 5,065,000 | \$ 202,600 | \$ 5,267,600 |
| Total | <u>\$ 5,065,000</u> | <u>\$ 202,600</u> | <u>\$ 5,267,600</u> |

15. LONG-TERM OBLIGATIONS - continued

Bonds Issued by NMFA - continued

Series 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 \$16,045,275, are as follows:

| <u>Year Ended June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|----------------------------|----------------------|----------------------|----------------------|
| Series 2010A Refunding: | | | |
| 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 | 9,210,000 | 2,279,600 | 11,489,600 |
| 2021 | 9,470,000 | 1,834,100 | 11,304,100 |
| 2022-2025 | <u>32,920,000</u> | <u>2,610,950</u> | <u>35,530,950</u> |
| Total | <u>\$ 82,625,000</u> | <u>\$ 16,045,275</u> | <u>\$ 98,670,275</u> |

15. LONG-TERM OBLIGATIONS - continued

Bonds Issued by NMFA - continued

Series 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 \$76,034,500, are as follows:

| <u>Year Ended June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Series 2010B Refunding: | | | |
| 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 | 86,520,000 | 10,738,250 | 97,258,250 |
| 2021 | 91,265,000 | 6,412,250 | 97,677,250 |
| 2022-2024 | 36,980,000 | 4,245,000 | 41,225,000 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total | <u>\$ 444,405,000</u> | <u>\$ 76,034,500</u> | <u>\$ 520,439,500</u> |

15. LONG-TERM OBLIGATIONS - continued

Bonds Issued by NMFA - continued

Series 2012A Revenue and Refundings

The Department issued \$220,400,000 NMFA State Transportation Refunding Revenue Bonds (Senior Lien) Series 2012A 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 2012A 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 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 amount of \$1,575,000 (The "Series 2002D Bonds"), (iii) a portion of the Authority State Transportation Revenue Bonds totaling \$167,695,000 of the aggregate amount of \$248,310,000 (The "Series 2004A GRIP Bonds"), and (iv) a portion of the Authority State Transportation Revenue Bonds totaling \$66,040,000 of the aggregate amount of \$149,760,000 (The "Series 2006A GRIP Bonds"). Proceeds from the Series 2012A Bonds were also used to pay costs of issuing the Series 2012A 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 \$49,946,626, are as follows:

| <u>Year Ended June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|----------------------------|-----------------------|----------------------|-----------------------|
| Series 2012A Refunding: | | | |
| 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 | 4,975,000 | 7,209,250 | 12,184,250 |
| 2021 | 4,965,000 | 7,029,750 | 11,994,750 |
| 2022-2026 | <u>154,090,000</u> | <u>13,446,650</u> | <u>167,536,650</u> |
| Total | <u>\$ 171,070,000</u> | <u>\$ 49,946,626</u> | <u>\$ 221,016,626</u> |

15. LONG-TERM OBLIGATIONS - continued

Bonds Issued by NMFA - continued

Series 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 \$37,801,250, are as follows:

| <u>Year Ended June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|----------------------------|----------------------|----------------------|-----------------------|
| Series 2014A Revenue: | | | |
| 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 | 4,155,000 | 3,124,000 | 7,279,000 |
| 2021 | 2,750,000 | 2,916,250 | 5,666,250 |
| 2022-2026 | 11,775,000 | 13,609,000 | 25,384,000 |
| 2027-2031 | 36,980,000 | 7,483,250 | 44,463,250 |
| 2032 | 6,820,000 | 341,000 | 7,161,000 |
| Total | <u>\$ 70,110,000</u> | <u>\$ 37,801,250</u> | <u>\$ 107,911,250</u> |

15. LONG-TERM OBLIGATIONS - continued

Bonds Issued by NMFA - continued

Series 2014B Revenue and Refundings

The Department issued \$79,405,000 NMFA State Transportation Refunding Revenue Bonds (Subordinate and Senior Lien) Series 2014B in December 2014. The gross proceeds to the Department were \$95,763,847 including an original issuance premium of \$17,026,113. The cost of issuance, including the underwriters' discount, was \$523,811.

Proceeds from the sale of the Series 2014B Bonds were used to refund (i) a portion of the Authority State Transportation Revenue Bonds totaling \$68,250,000 of the aggregate amount of \$83,270,000 (The "Series 2006A GRIP Bonds"), and (ii) a portion of the Authority State Transportation Revenue Bonds totaling \$19,775,000 of the aggregate amount of \$24,085,000 (The "Series 2006B GRIP Bonds"). Proceeds from the Series 2014B Bonds were also used to pay costs of issuing the Series 2014B 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 2027.

The Department's future scheduled annual requirements to amortize the Bonds, including interest payments of \$39,979,750, are as follows:

| <u>Year Ended June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|----------------------------|----------------------|----------------------|-----------------------|
| Series 2014B Refunding: | | | |
| 2017 | \$ - | \$ 3,970,250 | \$ 3,970,250 |
| 2018 | 1,430,000 | 3,970,250 | 5,400,250 |
| 2019 | 1,505,000 | 3,898,750 | 5,403,750 |
| 2020 | 1,580,000 | 3,823,500 | 5,403,500 |
| 2021 | 1,660,000 | 3,744,500 | 5,404,500 |
| 2022-2026 | 9,625,000 | 17,392,250 | 27,017,250 |
| 2027 | 63,605,000 | 3,180,250 | 66,785,250 |
| | <u>63,605,000</u> | <u>3,180,250</u> | <u>66,785,250</u> |
| Total | <u>\$ 79,405,000</u> | <u>\$ 39,979,750</u> | <u>\$ 119,384,750</u> |

15. 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> |
|----------------------------|-------------------------|
| 2017 | \$ 152,850,976 |
| 2018 | 151,626,963 |
| 2019 | 151,568,781 |
| 2020 | 151,913,000 |
| 2021 | 150,345,250 |
| 2022-2026 | 771,828,862 |
| 2027-2031 | 123,941,884 |
| 2032-2036 | 7,161,000 |
| Total | \$ 1,661,236,716 |

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 \$64,752,623 for the year-ended June 30, 2016.

Capital Leases

There are no future minimum lease obligations to report as of June 30, 2016.

Compensated Absences

An obligation amounting to \$6,806,142 at June 30, 2016 has been recorded to the government-wide financial statements representing the Department's commitment for accrued vacation, sick leave and other compensated absences.

16. NEGATIVE FUND BALANCES

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

Fund 10010: Federal Traffic Safety Fund \$1,842,800

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

Fund 10030: Federal Planning and Development Fund \$167,318

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

Fund 10040: Departmental Services - Inventories Fund \$11,882,542

This amount represents monies owed from the State Road Fund for inventory.

17. 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 to the State Road Fund as of June 30, 2016 were as follows:

| Fund Description | Fund Number | Total |
|--------------------------------|-------------|-------------------|
| Capital Projects Fund | 10050 | \$ 529,275 |
| Motorcycle Training Fund | 20600 | 6,605 |
| Total of all reversions | | \$ 535,880 |

18. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

Plan Description

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

Funding Policy

Plan members 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 16.99% in FY16 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, 2016, 2015, and 2014 were \$16,153,446, \$15,109,550, and \$14,365,606, respectively, equal to the amount of the required contribution for each year.

19. POST-EMPLOYMENT BENEFITS - STATE RETIREE HEALTH CARE PLAN

Plan Description

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

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

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

Plan Description - continued

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

Funding Policy

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. 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, 2016, 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, 2016, 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, 2016, 2015, 2014 were \$1,900,841, \$1,886,077, and \$1,743,824, respectively, which equal the required contributions for each year.

20. 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. 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 fiscal year. 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 2013-2014 fiscal year, the Department paid Risk Management \$7,381,657 in insurance premiums. During the 2014-2015 fiscal year, the Department paid Risk Management \$10,236,822 in insurance premiums. During the 2015-2016 fiscal year, the Department paid Risk Management \$9,034,681 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, 2014, 2015 and 2016, the Department had no claims for which the Risk Management Division has returned as "not covered" that would become the responsibility of the Department.

21. 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.

22. OPERATING LEASES

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, 2016 was \$1,177,402.

All of the Department leases include a standard cancellation clause in case the Legislature does not appropriate sufficient appropriations for the Department to carry out the terms and conditions of its leases. In the current economic climate there is more than a remote likelihood that some Department leases could be cancelled. Based on that, no disclosure of future minimum lease payments is necessary since the leases are considered cancellable.

23. 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, 2016 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.

24. 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 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.

25. SUBSEQUENT EVENTS

Updated Fair Value of Swaps

The estimated fair value of the swaps and collateral posting report at November 22, 2016 was as follows:

| <u>Counterparty</u> | <u>Notional Value</u> | <u>Fair Value</u> |
|----------------------|-----------------------|-------------------------|
| Goldman Sachs | \$ 50,000,000 | \$ (9,927,446) |
| Deutsche | 50,000,000 | (9,927,446) |
| Royal Bank of Canada | 100,000,000 | (19,854,892) |
| JPMorgan Chase Bank | 110,000,000 | (30,474,722) |
| UBS AG | 110,000,000 | (30,474,722) |
| Total | <u>\$ 420,000,000</u> | <u>\$ (100,659,228)</u> |

SUPPLEMENTARY INFORMATION

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

As of June 30, 2016

| | Federal Traffic Safety Fund | Driver Improvement Fund | Motorcycle Training Fund | DWI Prevention and Education Fund |
|--|-----------------------------------|-------------------------------|--------------------------------|---|
| | (SHARE 10010) | (SHARE 10020) | (SHARE 20600) | (SHARE 20700) |
| Assets: | | | | |
| Cash: | | | | |
| Unrestricted | \$ - | \$ - | \$ - | \$ - |
| Cash equivalents: | | | | |
| Investment in SGFIP | - | 427,284 | - | 619,366 |
| Managed by NMFA | - | - | - | - |
| Receivables: | | | | |
| Accounts receivable, net | - | 14,650 | - | - |
| Interest receivable | - | - | - | - |
| Other receivables | - | - | - | - |
| Due from: | | | | |
| U.S. Department of Transportation | 3,506,648 | - | - | - |
| Other funds | - | - | - | - |
| Other state agencies | - | - | 15,234 | 37,440 |
| Inventories | - | - | - | - |
| Prepaid expenses - other | 767 | - | - | - |
| Prepaid expense - NM44 warranty | - | - | - | - |
| Property held for resale | - | - | - | - |
| Total Assets | \$ 3,507,415 | \$ 441,934 | \$ 15,234 | \$ 656,806 |
| Liabilities, Deferred Inflows of Resources and Fund Balance: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 1,391,690 | \$ - | \$ - | \$ 58,350 |
| Due to: | | | | |
| U.S. Department of Transportation | - | - | - | - |
| Other funds | - | - | - | - |
| Other state agencies | 114,773 | - | - | - |
| State general fund | 558 | - | - | - |
| Local governments | 272,371 | - | - | 18,690 |
| Universities | 120,663 | - | - | - |
| Unearned revenue | - | - | - | - |
| Other accrued expenses | 21,511 | - | - | - |
| Bank overdrafts | 1,828,357 | - | 15,234 | - |
| Other liabilities | - | - | - | - |
| Short-term notes payable (taxable line of credit) | - | - | - | - |
| Total Liabilities | 3,749,923 | - | 15,234 | 77,040 |
| Deferred Inflows of Resources: | | | | |
| Amounts unavailable (not received within period of availability) | 1,600,292 | - | - | - |
| Total Deferred Inflows of Resources | 1,600,292 | - | - | - |
| Fund Balance: | | | | |
| Non-spendable | - | - | - | - |
| Restricted | - | 441,934 | - | 579,766 |
| Committed | - | - | - | - |
| Unassigned | (1,842,800) | - | - | - |
| Total Fund Balance | (1,842,800) | 441,934 | - | 579,766 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balance | \$ 3,507,415 | \$ 441,934 | \$ 15,234 | \$ 656,806 |

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) |
|--------------------------------------|--|--|
| \$ - | \$ - | \$ - |
| 1,505,392 | 2,442,673 | 4,994,715 |
| - | - | - |
| - | - | 14,650 |
| - | - | - |
| - | - | 3,506,648 |
| - | - | - |
| 86,725 | 36,100 | 175,499 |
| - | - | - |
| - | - | 767 |
| - | - | - |
| <u>\$ 1,592,117</u> | <u>\$ 2,478,773</u> | <u>\$ 8,692,279</u> |
| \$ 506,995 | \$ 30,739 | \$ 1,987,774 |
| - | - | - |
| - | - | 114,773 |
| - | - | 558 |
| 20,542 | - | 311,603 |
| - | - | 120,663 |
| - | - | - |
| - | 1,912 | 23,423 |
| - | - | 1,843,591 |
| - | - | - |
| <u>527,537</u> | <u>32,651</u> | <u>4,402,385</u> |
| - | - | 1,600,292 |
| - | - | <u>1,600,292</u> |
| - | - | - |
| 1,064,580 | 2,446,122 | 4,532,402 |
| - | - | - |
| - | - | (1,842,800) |
| <u>1,064,580</u> | <u>2,446,122</u> | <u>2,689,602</u> |
| <u>\$ 1,592,117</u> | <u>\$ 2,478,773</u> | <u>\$ 8,692,279</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, 2016

| | Federal Traffic Safety Fund | Driver Improvement Fund | Motorcycle Training Fund | DWI Prevention and Education Fund |
|--|-----------------------------------|-------------------------------|--------------------------------|---|
| | (SHARE 10010) | (SHARE 10020) | (SHARE 20600) | (SHARE 20700) |
| Revenues: | | | | |
| User and fuel taxes | \$ - | \$ - | \$ - | \$ - |
| U.S. Department of Transportation | 12,623,143 | - | - | - |
| Fees and fines | - | - | - | - |
| Licenses and permits | - | 260,072 | 133,166 | 471,906 |
| Charges for services | - | - | - | - |
| Other revenue | 179,816 | - | - | 3,303 |
| Interest earnings | - | - | 55 | - |
| Total Revenues | 12,802,959 | 260,072 | 133,221 | 475,209 |
| Expenditures: | | | | |
| Current: | | | | |
| Operating costs | - | - | - | - |
| Personal services | 426,835 | - | - | - |
| Out-of-state travel | 12,801 | - | - | - |
| Grants and services | 11,089,812 | 174,425 | 126,616 | 577,863 |
| Travel | 165 | - | - | - |
| Maintenance and repairs | - | - | - | - |
| Supplies | - | - | - | - |
| Contractual services | - | - | - | 27,337 |
| Other costs | 4,947 | 105 | - | - |
| Employee benefits | 182,040 | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service: | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Total Expenditures | 11,716,600 | 174,530 | 126,616 | 605,200 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 1,086,359 | 85,542 | 6,605 | (129,991) |
| Other Financing Sources (Uses): | | | | |
| Appropriations | - | - | - | - |
| Reversions | - | - | (6,605) | - |
| Transfers: severance | - | - | - | - |
| tax bond appropriation | - | - | - | - |
| Transfers: intra/inter-agency | - | - | - | (300,000) |
| Total Other Financing Sources (Uses) | - | - | (6,605) | (300,000) |
| Net Changes in Fund Balance | 1,086,359 | 85,542 | - | (429,991) |
| Fund Balance, June 30, 2015 | (2,929,159) | 356,392 | - | 1,009,757 |
| Fund Balance, June 30, 2016 | \$ (1,842,800) | \$ 441,934 | \$ - | \$ 579,766 |

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) |
|--|--|---|
| \$ - | \$ - | \$ - |
| - | - | 12,623,143 |
| - | - | - |
| 1,602,981 | 455,978 | 2,924,103 |
| - | - | - |
| 5,572 | 350 | 189,041 |
| 1,995 | - | 2,050 |
| <u>1,610,548</u> | <u>456,328</u> | <u>15,738,337</u> |
| - | - | - |
| - | 33,789 | 460,624 |
| - | - | 12,801 |
| 715,287 | 712,737 | 13,396,740 |
| - | - | 165 |
| - | - | - |
| 139,707 | - | 167,044 |
| - | 10,975 | 16,027 |
| - | 22,686 | 204,726 |
| - | - | - |
| - | - | - |
| <u>854,994</u> | <u>780,187</u> | <u>14,258,127</u> |
| <u>755,554</u> | <u>(323,859)</u> | <u>1,480,210</u> |
| - | - | - |
| - | - | (6,605) |
| - | - | - |
| - | (1,200,000) | (1,500,000) |
| <u>-</u> | <u>(1,200,000)</u> | <u>(1,506,605)</u> |
| <u>755,554</u> | <u>(1,523,859)</u> | <u>(26,395)</u> |
| <u>309,026</u> | <u>3,969,981</u> | <u>2,715,997</u> |
| <u>\$ 1,064,580</u> | <u>\$ 2,446,122</u> | <u>\$ 2,689,602</u> |

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

As of June 30, 2016

| | Traffic Safety Fund(s) (SHARE 10010, 10020, 20600, 20700, 20800, 82600) | Federal Planning and Development Fund (SHARE 10030) | HIF Bond Fund (SHARE 20200) | Local Government Road Fund (SHARE 20300) |
|--|---|--|-----------------------------------|---|
| Assets: | | | | |
| Cash: | | | | |
| Unrestricted | \$ - | \$ - | \$ - | \$ - |
| Cash equivalents: | | | | |
| Investment in SGFIP Managed by NMFA | 4,994,715 | - | 4,500,343 | 20,018,697 |
| Receivables: | | | | |
| Accounts receivable, net | 14,650 | - | - | - |
| Interest receivable | - | - | - | - |
| Other receivables | - | - | - | - |
| Due from: | | | | |
| U.S. Department of Transportation | 3,506,648 | 3,252,426 | - | - |
| Other funds | - | - | - | - |
| Other state agencies | 175,499 | - | 1,248,584 | 3,661,572 |
| Inventories | - | - | - | - |
| Prepaid expenses - other | 767 | - | - | - |
| Prepaid expense - NM44 warranty | - | - | - | - |
| Property held for resale | - | - | - | - |
| Total Assets | \$ 8,692,279 | \$ 3,252,426 | \$ 5,748,927 | \$ 23,680,269 |
| Liabilities, Deferred Inflows of Resources and Fund Balance: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 1,987,774 | \$ 1,516,946 | \$ - | \$ 1,094,880 |
| Due to: | | | | |
| U.S. Department of Transportation | - | - | - | - |
| Other funds | - | - | - | - |
| Other state agencies | 114,773 | - | - | - |
| State general fund | 558 | - | - | - |
| Local governments | 311,603 | 136,870 | - | 213,895 |
| Universities | 120,663 | - | - | - |
| Unearned revenue | - | - | - | - |
| Other accrued expenses | 23,423 | 14,624 | - | - |
| Bank overdrafts | 1,843,591 | 1,583,987 | - | - |
| Other liabilities | - | - | - | - |
| Short-term notes payable (taxable line of credit) | - | - | - | - |
| Total Liabilities | 4,402,385 | 3,252,427 | - | 1,308,775 |
| Deferred Inflows of Resources: | | | | |
| Amounts unavailable (not received within period of availability) | 1,600,292 | 167,317 | - | - |
| Total Deferred Inflows of Resources | 1,600,292 | 167,317 | - | - |
| Fund Balance: | | | | |
| Non-spendable | - | - | - | - |
| Restricted | 4,532,402 | - | 5,748,927 | 22,371,494 |
| Committed | - | - | - | - |
| Unassigned | (1,842,800) | (167,318) | - | - |
| Total Fund Balance | 2,689,602 | (167,318) | 5,748,927 | 22,371,494 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balance | \$ 8,692,279 | \$ 3,252,426 | \$ 5,748,927 | \$ 23,680,269 |

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) |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 10,080,380 | - | - | - | - | - |
| - | - | - | - | - | - |
| 2,858 | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 609,040 | - | - | - | - | - |
| - | - | - | - | - | - |
| 846,489 | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>\$ 11,538,767</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| | | | | | |
| \$ 230,106 | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 5,576 | - | - | - | - | - |
| 2,532 | - | - | - | - | - |
| - | - | - | - | - | - |
| 14,218 | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>252,432</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | | | | | |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 11,286,335 | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>11,286,335</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | | | | | |
| \$ 11,538,767 | \$ - | \$ - | \$ - | \$ - | \$ - |

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

As of June 30, 2016

| | 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) |
| Assets: | | | | |
| Cash: | | | | |
| Unrestricted | \$ - | \$ - | \$ - | \$ - |
| Cash equivalents: | | | | |
| Investment in SGFIP | - | 112,078 | - | - |
| Managed by NMFA | - | - | 162,479 | 10,399 |
| Receivables: | | | | |
| Accounts receivable, net | - | - | - | - |
| Interest receivable | - | - | 35 | 2 |
| Other receivables | - | - | - | - |
| Due from: | | | | |
| U.S. Department of Transportation | - | - | - | - |
| Other funds | - | - | - | - |
| Other state agencies | - | - | - | - |
| Inventories | - | - | - | - |
| Prepaid expenses - other | - | - | - | - |
| Prepaid expense - NM44 warranty | - | - | - | - |
| Property held for resale | - | - | - | - |
| Total Assets | \$ - | \$ 112,078 | \$ 162,514 | \$ 10,401 |
| Liabilities, Deferred Inflows of Resources and Fund Balance: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - |
| Due to: | | | | |
| U.S. Department of Transportation | - | - | - | - |
| Other funds | - | - | 162,514 | 10,401 |
| Other state agencies | - | - | - | - |
| State general fund | - | - | - | - |
| Local governments | - | - | - | - |
| Universities | - | - | - | - |
| Unearned revenue | - | - | - | - |
| Other accrued expenses | - | - | - | - |
| Bank overdrafts | - | - | - | - |
| Other liabilities | - | - | - | - |
| Short-term notes payable (taxable line of credit) | - | - | - | - |
| Total Liabilities | - | - | 162,514 | 10,401 |
| Deferred Inflows of Resources: | | | | |
| Amounts unavailable (not received within period of availability) | - | - | - | - |
| Total Deferred Inflows of Resources | - | - | - | - |
| Fund Balance: | | | | |
| Non-spendable | - | - | - | - |
| Restricted | - | 112,078 | - | - |
| Committed | - | - | - | - |
| Unassigned | - | - | - | - |
| Total Fund Balance | - | 112,078 | - | - |
| Total Liabilities, Deferred Inflows of Resources and Fund Balance | \$ - | \$ 112,078 | \$ 162,514 | \$ 10,401 |

See Independent Auditors' Report

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) | |
| \$ - | \$ - | \$ - | \$ - |
| - | - | 17,475 | 39,723,688 |
| 179,365 | - | 15,016 | 367,259 |
| - | - | - | 17,508 |
| 39 | - | 21 | 97 |
| - | - | - | - |
| - | - | - | 7,368,114 |
| - | - | - | - |
| - | - | - | 5,932,144 |
| - | - | - | - |
| - | - | - | 767 |
| - | - | - | - |
| - | - | - | - |
| <u>\$ 179,404</u> | <u>\$ -</u> | <u>\$ 32,512</u> | <u>\$ 53,409,577</u> |
| | | | |
| \$ - | \$ - | \$ - | \$ 4,829,706 |
| - | - | - | - |
| 179,404 | - | - | 352,319 |
| - | - | - | 114,773 |
| - | - | - | 558 |
| - | - | - | 667,944 |
| - | - | - | 123,195 |
| - | - | - | - |
| - | - | - | 52,265 |
| - | - | - | 3,427,578 |
| - | - | - | - |
| - | - | - | - |
| <u>179,404</u> | <u>-</u> | <u>-</u> | <u>9,568,338</u> |
| | | | |
| - | - | - | 1,767,609 |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>1,767,609</u> |
| | | | |
| - | - | - | - |
| - | - | 32,512 | 44,083,748 |
| - | - | - | - |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>(2,010,118)</u> |
| <u>-</u> | <u>-</u> | <u>32,512</u> | <u>42,073,630</u> |
| | | | |
| <u>\$ 179,404</u> | <u>\$ -</u> | <u>\$ 32,512</u> | <u>\$ 53,409,577</u> |

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

As of June 30, 2016

| | Capital Projects Fund | STB Capital Outlay Fund | GF Capital Outlay Fund | Total Capital Projects Funds |
|--|--------------------------|----------------------------|---------------------------|------------------------------------|
| | (SHARE 10050) | (SHARE 89200) | (SHARE 93100) | |
| Assets: | | | | |
| Cash: | | | | |
| Unrestricted | \$ - | \$ - | \$ - | \$ - |
| Cash equivalents: | | | | |
| Investment in SGFIP Managed by NMFA | 2,018,274 | - | 27,150,000 | 29,168,274 |
| Receivables: | | | | |
| Accounts receivable, net | - | - | - | - |
| Interest receivable | - | - | - | - |
| Other receivables | - | - | - | - |
| Due from: | | | | |
| U.S. Department of Transportation | - | - | - | - |
| Other funds | - | - | - | - |
| Other state agencies | - | 2,280,125 | - | 2,280,125 |
| Inventories | - | - | - | - |
| Prepaid expenses - other | - | - | - | - |
| Prepaid expense - NM44 warranty | - | - | - | - |
| Property held for resale | - | - | - | - |
| Total Assets | \$ 2,018,274 | \$ 2,280,125 | \$ 27,150,000 | \$ 31,448,399 |
| Liabilities, Deferred Inflows of Resources and Fund Balance: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ 1,026,848 | \$ - | \$ 1,026,848 |
| Due to: | | | | |
| U.S. Department of Transportation | - | - | - | - |
| Other funds | - | - | - | - |
| Other state agencies | - | - | - | - |
| State general fund | - | - | - | - |
| Local governments | - | 46,575 | - | 46,575 |
| Universities | - | - | - | - |
| Unearned revenue | - | - | - | - |
| Other accrued expenses | - | - | - | - |
| Bank overdrafts | - | 1,206,702 | - | 1,206,702 |
| Other liabilities | - | - | - | - |
| Short-term notes payable (taxable line of credit) | - | - | - | - |
| Total Liabilities | - | 2,280,125 | - | 2,280,125 |
| Deferred Inflows of Resources: | | | | |
| Amounts unavailable (not received within period of availability) | - | - | - | - |
| Total Deferred Inflows of Resources | - | - | - | - |
| Fund Balance: | | | | |
| Non-spendable | - | - | - | - |
| Restricted | 2,018,274 | - | 27,150,000 | 29,168,274 |
| Committed | - | - | - | - |
| Unassigned | - | - | - | - |
| Total Fund Balance | 2,018,274 | - | 27,150,000 | 29,168,274 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balance | \$ 2,018,274 | \$ 2,280,125 | \$ 27,150,000 | \$ 31,448,399 |

See Independent Auditors' Report

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

As of June 30, 2016

| | 2002B WIPP Bond Debt Service Fund (SHARE 75000) | 2002C HIF Bond Debt Service Fund (SHARE 36300) | 2002D CHAT Bond Debt Service Fund (SHARE 18700) | 2004A GRIP Bond Debt Service Fund (SHARE 10080) |
|--|--|---|--|--|
| Assets: | | | | |
| Cash: | | | | |
| Unrestricted | \$ - | \$ - | \$ - | \$ - |
| Cash equivalents: | | | | |
| Investment in SGFIP | - | - | - | - |
| Managed by NMFA | - | - | - | - |
| Receivables: | | | | |
| Accounts receivable, net | - | - | - | - |
| Interest receivable | - | - | - | - |
| Other receivables | - | - | - | - |
| Due from: | | | | |
| U.S. Department of Transportation | - | - | - | - |
| Other funds | - | - | - | - |
| Other state agencies | - | - | - | - |
| Inventories | - | - | - | - |
| Prepaid expenses - other | - | - | - | - |
| Prepaid expense - NM44 warranty | - | - | - | - |
| Property held for resale | - | - | - | - |
| Total Assets | \$ - | \$ - | \$ - | \$ - |
| Liabilities, Deferred Inflows of Resources and Fund Balance: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - |
| Due to: | | | | |
| U.S. Department of Transportation | - | - | - | - |
| Other funds | - | - | - | - |
| Other state agencies | - | - | - | - |
| State general fund | - | - | - | - |
| Local governments | - | - | - | - |
| Universities | - | - | - | - |
| Unearned revenue | - | - | - | - |
| Other accrued expenses | - | - | - | - |
| Bank overdrafts | - | - | - | - |
| Other liabilities | - | - | - | - |
| Short-term notes payable (taxable line of credit) | - | - | - | - |
| Total Liabilities | - | - | - | - |
| Deferred Inflows of Resources: | | | | |
| Amounts unavailable (not received within period of availability) | - | - | - | - |
| Total Deferred Inflows of Resources | - | - | - | - |
| Fund Balance: | | | | |
| Non-spendable | - | - | - | - |
| Restricted | - | - | - | - |
| Committed | - | - | - | - |
| Unassigned | - | - | - | - |
| Total Fund Balance | - | - | - | - |
| Total Liabilities, Deferred Inflows of Resources and Fund Balance | \$ - | \$ - | \$ - | \$ - |

See Independent Auditors' Report

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

As of June 30, 2016

| | 2009A Bond Debt Service Fund | 2010A Bond Debt Service Fund | 2010B Bond Debt Service Fund | 2012A Bond Debt Service Fund |
|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | (SHARE 11130) | (SHARE 11140) | (SHARE 20450) | (SHARE 30850) |
| Assets: | | | | |
| Cash: | | | | |
| Unrestricted | \$ - | \$ - | \$ - | \$ - |
| Cash equivalents: | | | | |
| Investment in SGFIP Managed by NMFA | 9,688 | 7,775 | 13,401 | 42,853 |
| Receivables: | | | | |
| Accounts receivable, net | - | - | - | - |
| Interest receivable | 519 | 188 | 1,085 | 4,780 |
| Other receivables | - | - | - | - |
| Due from: | | | | |
| U.S. Department of Transportation | - | - | - | - |
| Other funds | - | - | - | - |
| Other state agencies | - | - | - | - |
| Inventories | - | - | - | - |
| Prepaid expenses - other | - | - | - | - |
| Prepaid expense - NM44 warranty | - | - | - | - |
| Property held for resale | - | - | - | - |
| Total Assets | \$ 10,207 | \$ 7,963 | \$ 14,486 | \$ 47,633 |
| Liabilities, Deferred Inflows of Resources and Fund Balance: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - |
| Due to: | | | | |
| U.S. Department of Transportation | - | - | - | - |
| Other funds | - | - | - | - |
| Other state agencies | - | - | - | - |
| State general fund | - | - | - | - |
| Local governments | - | - | - | - |
| Universities | - | - | - | - |
| Unearned revenue | - | - | - | - |
| Other accrued expenses | - | - | - | - |
| Bank overdrafts | - | - | - | - |
| Other liabilities | - | - | - | - |
| Short-term notes payable (taxable line of credit) | - | - | - | - |
| Total Liabilities | - | - | - | - |
| Deferred Inflows of Resources: | | | | |
| Amounts unavailable (not received within period of availability) | - | - | - | - |
| Total Deferred Inflows of Resources | - | - | - | - |
| Fund Balance: | | | | |
| Non-spendable | - | - | - | - |
| Restricted | 10,207 | 7,963 | 14,486 | 47,633 |
| Committed | - | - | - | - |
| Unassigned | - | - | - | - |
| Total Fund Balance | 10,207 | 7,963 | 14,486 | 47,633 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balance | \$ 10,207 | \$ 7,963 | \$ 14,486 | \$ 47,633 |

See Independent Auditors' Report

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

| 2014A Bond Debt Service Fund (SHARE 11960) | 2014B Bond Debt Service Fund (SHARE 50110) | Total Debt Service Funds | Total Non Major Governmental Funds |
|---|---|--------------------------------|---|
| \$ - | \$ - | \$ - | \$ - |
| - | - | - | 68,891,962 |
| 56,788 | 149,747 | 25,670,145 | 26,037,404 |
| - | - | - | 17,508 |
| 180 | 222 | 15,737 | 15,834 |
| - | - | 48,121 | 48,121 |
| - | - | - | 7,368,114 |
| - | - | 250 | 250 |
| - | - | - | 8,212,269 |
| - | - | - | - |
| - | - | - | 767 |
| - | - | - | - |
| <u>\$ 56,968</u> | <u>\$ 149,969</u> | <u>\$ 25,734,253</u> | <u>\$ 110,592,229</u> |
| \$ - | \$ - | \$ 89,235 | \$ 5,945,789 |
| - | - | - | - |
| - | 4,780 | 3,529,807 | 3,882,126 |
| - | - | - | 114,773 |
| - | - | - | 558 |
| - | - | - | 714,519 |
| - | - | - | 123,195 |
| - | - | - | - |
| - | - | - | 52,265 |
| - | - | - | 4,634,280 |
| - | - | - | - |
| - | - | 14,000,000 | 14,000,000 |
| <u>-</u> | <u>4,780</u> | <u>17,619,042</u> | <u>29,467,505</u> |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>1,767,609</u> |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>1,767,609</u> |
| - | - | - | - |
| 56,968 | 145,189 | 8,115,211 | 81,367,233 |
| - | - | - | - |
| <u>56,968</u> | <u>145,189</u> | <u>8,115,211</u> | <u>(2,010,118)</u> |
| <u>\$ 56,968</u> | <u>\$ 149,969</u> | <u>\$ 25,734,253</u> | <u>\$ 110,592,229</u> |

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

For the Year Ended June 30, 2016

| | 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) |
|--|---|--|-----------------------------------|---|
| Revenues: | | | | |
| User and fuel taxes | \$ - | \$ - | \$ 5,948,952 | \$ 14,385,394 |
| U.S. Department of Transportation | 12,623,143 | 14,948,091 | - | - |
| Fees and fines | - | - | - | - |
| Licenses and permits | 2,924,103 | - | 1,943,164 | 7,918,858 |
| Charges for services | - | - | - | - |
| Other revenue | 189,041 | - | - | - |
| Interest earnings | 2,050 | - | 12,849 | 50,115 |
| Total Revenues | 15,738,337 | 14,948,091 | 7,904,965 | 22,354,367 |
| Expenditures: | | | | |
| Current: | | | | |
| Operating costs | - | 11,038 | - | - |
| Personal services | 460,624 | 358,587 | - | - |
| Out-of-state travel | 12,801 | 9,734 | - | - |
| Grants and services | 13,396,740 | 14,439,698 | - | 25,316,702 |
| Travel | 165 | 3,434 | - | - |
| Maintenance and repairs | - | - | - | - |
| Supplies | - | 11,428 | - | - |
| Contractual services | 167,044 | 97,932 | - | - |
| Other costs | 16,027 | - | - | - |
| Employee benefits | 204,726 | 119,147 | - | - |
| Capital outlay | - | - | - | - |
| Debt service: | | | | |
| Principal | - | - | 5,590,000 | - |
| Interest | - | - | 4,750,998 | - |
| Total Expenditures | 14,258,127 | 15,050,998 | 10,340,998 | 25,316,702 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 1,480,210 | (102,907) | (2,436,033) | (2,962,335) |
| Other Financing Sources (Uses): | | | | |
| Appropriations | - | - | - | - |
| Reversions | (6,605) | - | - | - |
| Transfers: severance | - | - | - | - |
| tax bond appropriation | - | - | - | - |
| Transfers: intra/inter-agency | (1,500,000) | (414,716) | - | - |
| Total Other Financing Sources (Uses) | (1,506,605) | (414,716) | - | - |
| Net Changes in Fund Balance | (26,395) | (517,623) | (2,436,033) | (2,962,335) |
| Fund Balance, June 30, 2015 | 2,715,997 | 350,305 | 8,184,960 | 25,333,829 |
| Fund Balance, June 30, 2016 | \$ 2,689,602 | \$ (167,318) | \$ 5,748,927 | \$ 22,371,494 |

See Independent Auditors' Report

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - 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) |
| \$ 4,984,684 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 1,113,245 | - | - | - | - | - |
| 64,146 | - | - | - | - | - |
| - | - | - | - | - | - |
| 903 | - | - | - | - | - |
| 30,877 | 2,053 | 4,847 | - | 10,796 | 2,985 |
| <u>6,193,855</u> | <u>2,053</u> | <u>4,847</u> | <u>-</u> | <u>10,796</u> | <u>2,985</u> |
| 81,373 | - | - | - | - | - |
| 288,055 | - | - | - | - | - |
| 11,446 | - | - | - | - | - |
| 9,522,547 | - | - | - | - | - |
| 3,281 | - | - | - | - | - |
| 9,216 | - | - | - | - | - |
| 51,873 | - | - | - | - | - |
| 1,373,865 | - | - | - | - | - |
| 6,231 | - | - | - | - | - |
| 122,882 | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>11,470,769</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| (5,276,914) | 2,053 | 4,847 | - | 10,796 | 2,985 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | (1,604,774) | (2,133,351) | - | (4,752,908) | (1,313,633) |
| - | (1,604,774) | (2,133,351) | - | (4,752,908) | (1,313,633) |
| <u>(5,276,914)</u> | <u>(1,602,721)</u> | <u>(2,128,504)</u> | <u>-</u> | <u>(4,742,112)</u> | <u>(1,310,648)</u> |
| <u>16,563,249</u> | <u>1,602,721</u> | <u>2,128,504</u> | <u>-</u> | <u>4,742,112</u> | <u>1,310,648</u> |
| <u>\$ 11,286,335</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

See Independent Auditors' Report

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

For the Year Ended June 30, 2016

| | 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) |
| Revenues: | | | | |
| User and fuel taxes | \$ - | \$ - | \$ - | \$ - |
| U.S. Department of Transportation | - | - | - | - |
| Fees and fines | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Charges for services | - | - | - | - |
| Other revenue | - | - | - | - |
| Interest earnings | 1,458 | - | 208 | 14 |
| Total Revenues | 1,458 | - | 208 | 14 |
| Expenditures: | | | | |
| Current: | | | | |
| Operating costs | - | - | - | - |
| Personal services | - | - | - | - |
| Out-of-state travel | - | - | - | - |
| Grants and services | - | - | - | - |
| Travel | - | - | - | - |
| Maintenance and repairs | - | - | - | - |
| Supplies | - | - | - | - |
| Contractual services | - | - | - | - |
| Other costs | - | - | - | - |
| Employee benefits | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service: | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Total Expenditures | - | - | - | - |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 1,458 | - | 208 | 14 |
| Other Financing Sources (Uses): | | | | |
| Appropriations | - | - | - | - |
| Reversions | - | - | - | - |
| Transfers: severance | - | - | - | - |
| tax bond appropriation | - | - | - | - |
| Transfers: intra/inter-agency | (641,758) | - | (487,488) | (60,073) |
| Total Other Financing Sources (Uses) | (641,758) | - | (487,488) | (60,073) |
| Net Changes in Fund Balance | (640,300) | - | (487,280) | (60,059) |
| Fund Balance, June 30, 2015 | 640,300 | 112,078 | 487,280 | 60,059 |
| Fund Balance, June 30, 2016 | \$ - | \$ 112,078 | \$ - | \$ - |

See Independent Auditors' Report

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - 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) | |
| \$ - | \$ - | \$ - | \$ 25,319,030 |
| - | - | - | 28,684,479 |
| - | - | - | 64,146 |
| - | - | - | 12,786,125 |
| - | - | - | - |
| - | - | - | 189,944 |
| 229 | - | 2,512 | 120,993 |
| <u>229</u> | <u>-</u> | <u>2,512</u> | <u>67,164,717</u> |
| - | - | - | 92,411 |
| - | - | - | 1,107,266 |
| - | - | - | 33,981 |
| - | - | - | 62,675,687 |
| - | - | - | 6,880 |
| - | - | - | 9,216 |
| - | - | - | 63,301 |
| - | - | - | 1,638,841 |
| - | - | - | 22,258 |
| - | - | - | 446,755 |
| - | - | 4,728,668 | 4,728,668 |
| - | - | - | 5,590,000 |
| - | - | - | 4,750,998 |
| <u>-</u> | <u>-</u> | <u>4,728,668</u> | <u>81,166,262</u> |
| 229 | - | (4,726,156) | (14,001,545) |
| - | - | - | - |
| - | - | - | (6,605) |
| - | - | - | - |
| (179,403) | - | - | (13,088,104) |
| <u>(179,403)</u> | <u>-</u> | <u>-</u> | <u>(13,094,709)</u> |
| (179,174) | - | (4,726,156) | (27,096,254) |
| <u>179,174</u> | <u>-</u> | <u>4,758,668</u> | <u>69,169,884</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ 32,512</u> | <u>\$ 42,073,630</u> |

See Independent Auditors' Report

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

For the Year Ended June 30, 2016

| | Capital Projects Fund | STB Capital Outlay Fund | GF Capital Outlay Fund | Total Capital Projects Funds |
|--|--------------------------|----------------------------|---------------------------|------------------------------------|
| | (SHARE 10050) | (SHARE 89200) | (SHARE 93100) | |
| Revenues: | | | | |
| User and fuel taxes | \$ - | \$ - | \$ - | \$ - |
| U.S. Department of Transportation | - | - | - | - |
| Fees and fines | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Charges for services | - | - | - | - |
| Other revenue | 864,255 | - | - | 864,255 |
| Interest earnings | - | - | - | - |
| Total Revenues | 864,255 | - | - | 864,255 |
| Expenditures: | | | | |
| Current: | | | | |
| Operating costs | - | - | - | - |
| Personal services | - | - | - | - |
| Out-of-state travel | - | - | - | - |
| Grants and services | - | - | - | - |
| Travel | - | - | - | - |
| Maintenance and repairs | 2,763 | - | - | 2,763 |
| Supplies | - | - | - | - |
| Contractual services | - | 10,175,962 | - | 10,175,962 |
| Other costs | - | - | - | - |
| Employee benefits | - | - | - | - |
| Capital outlay | 722,174 | 142,405 | - | 864,579 |
| Debt service: | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Total Expenditures | 724,937 | 10,318,367 | - | 11,043,304 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 139,318 | (10,318,367) | - | (10,179,049) |
| Other Financing Sources (Uses): | | | | |
| Appropriations | - | - | 27,150,000 | 27,150,000 |
| Reversions | (529,275) | - | - | (529,275) |
| Transfers: severance | - | - | - | - |
| tax bond appropriation | - | 10,318,367 | - | 10,318,367 |
| Transfers: intra/inter-agency | 1,709,000 | - | - | 1,709,000 |
| Total Other Financing Sources (Uses) | 1,179,725 | 10,318,367 | 27,150,000 | 38,648,092 |
| Net Changes in Fund Balance | 1,319,043 | - | 27,150,000 | 28,469,043 |
| Fund Balance, June 30, 2015 | 699,231 | - | - | 699,231 |
| Fund Balance, June 30, 2016 | \$ 2,018,274 | \$ - | \$ 27,150,000 | \$ 29,168,274 |

See Independent Auditors' Report

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

For the Year Ended June 30, 2016

| | 2002B WIPP Bond Debt Service Fund (SHARE 75000) | 2002C HIF Bond Debt Service Fund (SHARE 36300) | 2002D CHAT Bond Debt Service Fund (SHARE 18700) | 2004A GRIP Bond Debt Service Fund (SHARE 10080) |
|--|--|---|--|--|
| Revenues: | | | | |
| User and fuel taxes | \$ - | \$ - | \$ - | \$ - |
| U.S. Department of Transportation | - | - | - | - |
| Fees and fines | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Charges for services | - | - | - | - |
| Other revenue | - | - | - | - |
| Interest earnings | 253 | 143 | 29 | - |
| Total Revenues | 253 | 143 | 29 | - |
| Expenditures: | | | | |
| Current: | | | | |
| Operating costs | - | - | - | - |
| Personal services | - | - | - | - |
| Out-of-state travel | - | - | - | - |
| Grants and services | - | - | - | - |
| Travel | - | - | - | - |
| Maintenance and repairs | - | - | - | - |
| Supplies | - | - | - | - |
| Contractual services | - | - | - | - |
| Other costs | - | - | - | - |
| Employee benefits | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service: | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Total Expenditures | - | - | - | - |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 253 | 143 | 29 | - |
| Other Financing Sources (Uses): | | | | |
| Appropriations | - | - | - | - |
| Reversions | - | - | - | - |
| Transfers: severance | - | - | - | - |
| tax bond appropriation | - | - | - | - |
| Transfers: intra/inter-agency | (814,377) | (62,697) | (12,903) | (963) |
| Total Other Financing Sources (Uses) | (814,377) | (62,697) | (12,903) | (963) |
| Net Changes in Fund Balance | (814,124) | (62,554) | (12,874) | (963) |
| Fund Balance, June 30, 2015 | 814,124 | 62,554 | 12,874 | 963 |
| Fund Balance, June 30, 2016 | \$ - | \$ - | \$ - | \$ - |

See Independent Auditors' Report

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

| 2004B GRIP Bond Debt Service Fund (SHARE 10090) | 2006A GRIP Bond Debt Service Fund (SHARE 10220) | 2006B GRIP Bond Debt Service Fund (SHARE 10240) | 2008A GRIP Bond Debt Service Fund (SHARE 10410) | 2008B GRIP Bond Debt Service Fund (SHARE 10420) | 2008C GRIP Bond Debt Service Fund (SHARE 10430) |
|--|--|--|--|--|--|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 545 | 448 | 154 | 259,470 | 1,014,274 | 190,791 |
| 545 | 448 | 154 | 259,470 | 1,014,274 | 190,791 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | 138,780 | 863,097 | 129,692 |
| - | - | - | 138,780 | 863,097 | 129,692 |
| 545 | 448 | 154 | 120,690 | 151,177 | 61,099 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| (1,541,501) | - | - | 1,243,971 | 4,647,419 | 915,701 |
| (1,541,501) | - | - | 1,243,971 | 4,647,419 | 915,701 |
| (1,540,956) | 448 | 154 | 1,364,661 | 4,798,596 | 976,800 |
| 1,540,956 | 2,498 | 2,796 | 395,907 | 121,961 | 168,944 |
| \$ - | \$ 2,946 | \$ 2,950 | \$ 1,760,568 | \$ 4,920,557 | \$ 1,145,744 |

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

For the Year Ended June 30, 2016

| | 2009A Bond Debt Service Fund | 2010A Bond Debt Service Fund | 2010B Bond Debt Service Fund | 2012A Bond Debt Service Fund |
|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | (SHARE 11130) | (SHARE 11140) | (SHARE 20450) | (SHARE 30850) |
| Revenues: | | | | |
| User and fuel taxes | \$ - | \$ - | \$ - | \$ - |
| U.S. Department of Transportation | - | - | - | - |
| Fees and fines | - | - | - | - |
| Licenses and permits | - | - | - | - |
| Charges for services | - | - | - | - |
| Other revenue | - | - | - | - |
| Interest earnings | 4,606 | 2,519 | 8,355 | 42,164 |
| Total Revenues | 4,606 | 2,519 | 8,355 | 42,164 |
| Expenditures: | | | | |
| Current: | | | | |
| Operating costs | - | - | - | - |
| Personal services | - | - | - | - |
| Out-of-state travel | - | - | - | - |
| Grants and services | - | - | - | - |
| Travel | - | - | - | - |
| Maintenance and repairs | - | - | - | - |
| Supplies | - | - | - | - |
| Contractual services | - | - | - | - |
| Other costs | - | - | - | - |
| Employee benefits | - | - | - | - |
| Capital outlay | - | - | - | - |
| Debt service: | | | | |
| Principal | - | - | - | - |
| Interest | - | 1 | - | - |
| Total Expenditures | - | 1 | - | - |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 4,606 | 2,518 | 8,355 | 42,164 |
| Other Financing Sources (Uses): | | | | |
| Appropriations | - | - | - | - |
| Reversions | - | - | - | - |
| Transfers: severance | - | - | - | - |
| tax bond appropriation | - | - | - | - |
| Transfers: intra/inter-agency | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Net Changes in Fund Balance | 4,606 | 2,518 | 8,355 | 42,164 |
| Fund Balance, June 30, 2015 | 5,601 | 5,445 | 6,131 | 5,469 |
| Fund Balance, June 30, 2016 | \$ 10,207 | \$ 7,963 | \$ 14,486 | \$ 47,633 |

See Independent Auditors' Report

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

| 2014A Bond Debt Service Fund (SHARE 11960) | 2014B Bond Debt Service Fund (SHARE 50110) | Total Debt Service Funds | Total Non Major Governmental Funds |
|---|---|--------------------------------|---|
| \$ - | \$ - | \$ - | \$ 25,319,030 |
| - | - | - | 28,684,479 |
| - | - | - | 64,146 |
| - | - | - | 12,786,125 |
| - | - | - | - |
| - | - | - | 1,054,199 |
| 1,357 | 1,644 | 1,528,911 | 1,649,904 |
| <u>1,357</u> | <u>1,644</u> | <u>1,528,911</u> | <u>69,557,883</u> |
| - | - | - | 92,411 |
| - | - | - | 1,107,266 |
| - | - | - | 33,981 |
| - | - | - | 62,675,687 |
| - | - | - | 6,880 |
| - | - | - | 11,979 |
| - | - | - | 63,301 |
| - | - | - | 11,814,803 |
| - | - | - | 22,258 |
| - | - | - | 446,755 |
| - | - | - | 5,593,247 |
| - | - | - | 5,590,000 |
| - | - | 1,131,570 | 5,882,568 |
| <u>-</u> | <u>-</u> | <u>1,131,570</u> | <u>93,341,136</u> |
| 1,357 | 1,644 | 397,341 | (23,783,253) |
| - | - | - | 27,150,000 |
| - | - | - | (535,880) |
| - | - | - | 10,318,367 |
| - | - | (1,138,015) | (12,517,119) |
| <u>-</u> | <u>-</u> | <u>(1,138,015)</u> | <u>24,415,368</u> |
| 1,357 | 1,644 | (740,674) | 632,115 |
| 55,611 | 143,545 | 8,855,885 | 78,725,000 |
| <u>\$ 56,968</u> | <u>\$ 145,189</u> | <u>\$ 8,115,211</u> | <u>\$ 79,357,115</u> |

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, 2016 | DEPARTMENT OF TRANSPORTATION | | | |
|--|--|-------------------------|-------------------------------|------------------------|
| | agency wide including enterprise fund excluding multi-year funds | | | |
| | Budgeted Amounts | | Actual | Variance |
| | Original | Final | Amounts (Modified Accrual) | Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Federal funds | \$ 408,591,700 | \$ 480,745,675 | \$ 407,378,302 | \$ (73,367,373) |
| Other state funds | 429,089,100 | 431,534,550 | 450,909,840 | 19,375,290 |
| Transfers outside the agency | - | - | 300,000 | 300,000 |
| Interest revenue | 754,000 | 754,000 | 1,837,136 | 1,083,136 |
| Total Revenues and Other Financing Sources | 838,434,800 | 913,034,225 | 860,425,278 | \$ (52,608,947) |
| Prior Year Funds Rebudgeted | 26,229,500 | 389,279,340 | | |
| | \$ 864,664,300 | \$ 1,302,313,565 | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ 27,353,000 | \$ 27,429,000 | 25,295,270 | \$ 2,133,730 |
| Contractual services | 350,306,500 | 698,542,754 | 344,665,841 | 353,876,913 |
| Other | 210,329,700 | 259,194,834 | 199,697,383 | 59,497,451 |
| Transfers (in) out | - | 3,400,000 | 3,400,000 | - |
| | 587,989,200 | 988,566,588 | 573,058,494 | 415,508,094 |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | 103,897,500 | 106,897,500 | 105,620,251 | 1,277,249 |
| Contractual services | 50,544,600 | 64,585,645 | 50,898,550 | 13,687,095 |
| Other | 79,310,700 | 99,232,532 | 86,920,441 | 12,312,091 |
| | 233,752,800 | 270,715,677 | 243,439,242 | 27,276,435 |
| Program Support: | | | | |
| Personal services/employee benefits | 25,820,900 | 25,820,900 | 24,725,825 | 1,095,075 |
| Contractual services | 4,492,200 | 4,492,200 | 1,650,516 | 2,841,684 |
| Other | 12,609,200 | 12,609,200 | 10,935,131 | 1,674,069 |
| Transfers (in) out | - | 109,000 | 109,000 | - |
| | 42,922,300 | 43,031,300 | 37,420,472 | 5,610,828 |
| Total Annual Budgeted Expenditures and Other Financing Uses | \$ 864,664,300 | \$ 1,302,313,565 | 853,918,208 | \$ 448,395,357 |
| Non-Budgeted Items: | | | | |
| Reversions | | | (529,275) | |
| Amortization | | | 2,497,015 | |
| Total Expenditures and Other Financing Uses | | | 855,885,948 | |
| Excess (Deficiency) of Revenues Over (Under) | | | | |
| Expenditures and Other Financing Sources and Uses | | | \$ 4,539,330 | |

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 the 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, 2016

| | FEDERAL TRAFFIC SAFETY FUND (SHARE 10010) | | | |
|--|---|----------------------|-------------------------------|-----------------------|
| | Budgeted Amounts | | Actual | Variance |
| | Original | Final | Amounts (Modified Accrual) | Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Federal funds | \$ 15,731,400 | \$ 15,731,400 | \$ 12,623,143 | \$ (3,108,257) |
| Other state funds | - | - | 179,816 | 179,816 |
| Transfers outside the agency | - | - | - | - |
| Interest revenue | - | - | - | - |
| Total Revenues and Other Financing Sources | <u>15,731,400</u> | <u>15,731,400</u> | <u>12,802,959</u> | <u>\$ (2,928,441)</u> |
| Prior Year Funds Rebudgeted | - | 7,247,465 | | |
| | <u>\$ 15,731,400</u> | <u>\$ 22,978,865</u> | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ 745,800 | \$ 745,800 | 608,875 | \$ 136,925 |
| Contractual services | - | - | - | - |
| Other | 14,985,600 | 22,233,065 | 11,107,725 | 11,125,340 |
| Transfers (in) out | - | - | - | - |
| | <u>15,731,400</u> | <u>22,978,865</u> | <u>11,716,600</u> | <u>11,262,265</u> |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Program Support: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Annual Budgeted Expenditures and Other Financing Uses | <u>\$ 15,731,400</u> | <u>\$ 22,978,865</u> | <u>11,716,600</u> | <u>\$ 11,262,265</u> |
| Non-Budgeted Items: | | | | |
| Reversions | | | - | |
| Amortization | | | - | |
| Total Expenditures and Other Financing Uses | | | <u>11,716,600</u> | |
| Excess (Deficiency) of Revenues Over (Under) | | | | |
| Expenditures and Other Financing Sources and Uses | | | <u>\$ 1,086,359</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 the 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, 2016

| | DRIVER IMPROVEMENT FUND (SHARE 10020) | | | |
|--|---------------------------------------|-------------------|-------------------------------|-------------------|
| | Budgeted Amounts | | Actual | Variance |
| | Original | Final | Amounts (Modified Accrual) | Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Federal funds | \$ - | \$ - | \$ - | \$ - |
| Other state funds | 250,000 | 250,000 | 260,072 | 10,072 |
| Transfers outside the agency | - | - | - | - |
| Interest revenue | - | - | - | - |
| Total Revenues and Other Financing Sources | <u>250,000</u> | <u>250,000</u> | <u>260,072</u> | <u>\$ 10,072</u> |
| Prior Year Funds Rebudgeted | - | 328,030 | | |
| | <u>\$ 250,000</u> | <u>\$ 578,030</u> | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ - | \$ - | - | - |
| Contractual services | - | - | - | - |
| Other | 250,000 | 578,030 | 174,530 | 403,500 |
| Transfers (in) out | - | - | - | - |
| | <u>250,000</u> | <u>578,030</u> | <u>174,530</u> | <u>403,500</u> |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Program Support: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Annual Budgeted Expenditures and Other Financing Uses | <u>\$ 250,000</u> | <u>\$ 578,030</u> | <u>174,530</u> | <u>\$ 403,500</u> |
| Non-Budgeted Items: | | | | |
| Reversions | | | - | |
| Amortization | | | - | |
| Total Expenditures and Other Financing Uses | | | <u>174,530</u> | |
| Excess (Deficiency) of Revenues Over (Under) | | | | |
| Expenditures and Other Financing Sources and Uses | | | <u>\$ 85,542</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 the 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, 2016

| | MOTORCYCLE TRAINING FUND (SHARE 20600) | | | |
|---|--|-------------------|-------------------------------|--------------------------|
| | Budgeted Amounts | | Actual | |
| | Original | Final | Amounts (Modified Accrual) | Variance Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Federal funds | \$ - | \$ - | \$ - | \$ - |
| Other state funds | 140,000 | 140,000 | 133,166 | (6,834) |
| Transfers outside the agency | - | - | - | - |
| Interest revenue | 1,000 | 1,000 | 55 | (945) |
| Total Revenues and Other Financing Sources | <u>141,000</u> | <u>141,000</u> | <u>133,221</u> | <u>\$ (7,779)</u> |
| Prior Year Funds Rebudgeted | - | - | | |
| | <u>\$ 141,000</u> | <u>\$ 141,000</u> | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ - | \$ - | - | \$ - |
| Contractual services | - | - | - | - |
| Other | 141,000 | 141,000 | 126,616 | 14,384 |
| Transfers (in) out | - | - | - | - |
| | <u>141,000</u> | <u>141,000</u> | <u>126,616</u> | <u>14,384</u> |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Program Support: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Annual Budgeted Expenditures and Other Financing Uses | <u>\$ 141,000</u> | <u>\$ 141,000</u> | <u>126,616</u> | <u>\$ 14,384</u> |
| Non-Budgeted Items: | | | | |
| Reversions | | | 6,605 | |
| Amortization | | | - | |
| Total Expenditures and Other Financing Uses | | | <u>133,221</u> | |
| Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources and Uses | | | <u>\$ -</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 the 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, 2016

| | DWI PREVENTION AND EDUCATION FUND (SHARE 20700) | | | |
|--|---|---------------------|-------------------------------|-------------------|
| | Budgeted Amounts | | Actual | Variance |
| | Original | Final | Amounts (Modified Accrual) | Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Federal funds | \$ - | \$ - | \$ - | \$ - |
| Other state funds | 470,000 | 470,000 | 475,209 | 5,209 |
| Transfers outside the agency | - | - | - | - |
| Interest revenue | - | - | - | - |
| Total Revenues and Other Financing Sources | <u>470,000</u> | <u>470,000</u> | <u>475,209</u> | <u>\$ 5,209</u> |
| Prior Year Funds Rebudgeted | - | 725,382 | | |
| | <u>\$ 470,000</u> | <u>\$ 1,195,382</u> | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ 80,900 | \$ 80,900 | - | \$ 80,900 |
| Contractual services | - | - | 27,337 | (27,337) |
| Other | 389,100 | 814,482 | 577,863 | 236,619 |
| Transfers (in) out | - | 300,000 | 300,000 | - |
| | <u>470,000</u> | <u>1,195,382</u> | <u>905,200</u> | <u>290,182</u> |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Program Support: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Annual Budgeted Expenditures and Other Financing Uses | <u>\$ 470,000</u> | <u>\$ 1,195,382</u> | <u>905,200</u> | <u>\$ 290,182</u> |
| Non-Budgeted Items: | | | | |
| Reversions | | | - | |
| Amortization | | | - | |
| Total Expenditures and Other Financing Uses | | | <u>905,200</u> | |
| Excess (Deficiency) of Revenues Over (Under) | | | | |
| Expenditures and Other Financing Sources and Uses | | | <u>\$ (429,991)</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 the 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, 2016

| | TRAFFIC SAFETY FUND (SHARE 20800) | | | |
|--|-----------------------------------|---------------------|-------------------------------|-------------------|
| | Budgeted Amounts | | Actual | Variance |
| | Original | Final | Amounts (Modified Accrual) | Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Federal funds | \$ - | \$ - | \$ - | \$ - |
| Other state funds | 960,000 | 960,000 | 1,608,553 | 648,553 |
| Transfers outside the agency | - | - | - | - |
| Interest revenue | 1,000 | 1,000 | 1,995 | 995 |
| Total Revenues and Other Financing Sources | <u>961,000</u> | <u>961,000</u> | <u>1,610,548</u> | <u>\$ 649,548</u> |
| Prior Year Funds Rebudgeted | - | 384,530 | | |
| | <u>\$ 961,000</u> | <u>\$ 1,345,530</u> | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ - | \$ - | - | \$ - |
| Contractual services | - | - | 139,707 | (139,707) |
| Other | 961,000 | 1,345,530 | 715,287 | 630,243 |
| Transfers (in) out | - | - | - | - |
| | <u>961,000</u> | <u>1,345,530</u> | <u>854,994</u> | <u>490,536</u> |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Program Support: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Annual Budgeted Expenditures and Other Financing Uses | <u>\$ 961,000</u> | <u>\$ 1,345,530</u> | <u>854,994</u> | <u>\$ 490,536</u> |
| Non-Budgeted Items: | | | | |
| Reversions | | | - | |
| Amortization | | | - | |
| Total Expenditures and Other Financing Uses | | | <u>854,994</u> | |
| Excess (Deficiency) of Revenues Over (Under) | | | | |
| Expenditures and Other Financing Sources and Uses | | | <u>\$ 755,554</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 the 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, 2016

| | IGNITION INTERLOCK FUND (SHARE 82600) | | | |
|--|---------------------------------------|---------------------|-------------------------------|-------------------|
| | Budgeted Amounts | | Actual | Variance |
| | Original | Final | Amounts (Modified Accrual) | Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Federal funds | \$ - | \$ - | \$ - | \$ - |
| Other state funds | 750,000 | 750,000 | 456,328 | (293,672) |
| Transfers outside the agency | - | - | 300,000 | 300,000 |
| Interest revenue | - | - | - | - |
| Total Revenues and Other Financing Sources | <u>750,000</u> | <u>750,000</u> | <u>756,328</u> | <u>\$ 6,328</u> |
| Prior Year Funds Rebudgeted | - | 1,700,000 | | |
| | <u>\$ 750,000</u> | <u>\$ 2,450,000</u> | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ 58,000 | \$ 58,000 | 56,475 | \$ 1,525 |
| Contractual services | - | - | - | - |
| Other | 692,000 | 892,000 | 723,712 | 168,288 |
| Transfers (in) out | - | 1,500,000 | 1,500,000 | - |
| | <u>750,000</u> | <u>2,450,000</u> | <u>2,280,187</u> | <u>169,813</u> |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Program Support: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Annual Budgeted Expenditures and Other Financing Uses | <u>\$ 750,000</u> | <u>\$ 2,450,000</u> | <u>2,280,187</u> | <u>\$ 169,813</u> |
| Non-Budgeted Items: | | | | |
| Reversions | | | - | |
| Amortization | | | - | |
| Total Expenditures and Other Financing Uses | | | <u>2,280,187</u> | |
| Excess (Deficiency) of Revenues Over (Under) | | | | |
| Expenditures and Other Financing Sources and Uses | | | <u>\$ (1,523,859)</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 the 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, 2016

| | FEDERAL PLANNING AND DEVELOPMENT FUND (SHARE 10030) | | | |
|--|---|----------------------|-------------------------------|-----------------------|
| | Budgeted Amounts | | Actual | Variance |
| | Original | Final | Amounts (Modified Accrual) | Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Federal funds | \$ 16,111,500 | \$ 16,111,500 | \$ 14,948,091 | \$ (1,163,409) |
| Other state funds | - | - | - | - |
| Transfers outside the agency | - | - | - | - |
| Interest revenue | - | - | - | - |
| Total Revenues and Other Financing Sources | <u>16,111,500</u> | <u>16,111,500</u> | <u>14,948,091</u> | <u>\$ (1,163,409)</u> |
| Prior Year Funds Rebudgeted | - | 7,325,158 | | |
| | <u>\$ 16,111,500</u> | <u>\$ 23,436,658</u> | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ 456,500 | \$ 526,500 | 477,734 | \$ 48,766 |
| Contractual services | 470,000 | 470,000 | 97,932 | 372,068 |
| Other | 15,185,000 | 22,440,158 | 14,475,332 | 7,964,826 |
| Transfers (in) out | - | - | 414,716 | (414,716) |
| | <u>16,111,500</u> | <u>23,436,658</u> | <u>15,465,714</u> | <u>7,970,944</u> |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Program Support: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Annual Budgeted Expenditures and Other Financing Uses | <u>\$ 16,111,500</u> | <u>\$ 23,436,658</u> | <u>15,465,714</u> | <u>\$ 7,970,944</u> |
| Non-Budgeted Items: | | | | |
| Reversions | | | - | |
| Amortization | | | - | |
| Total Expenditures and Other Financing Uses | | | <u>15,465,714</u> | |
| Excess (Deficiency) of Revenues Over (Under) | | | | |
| Expenditures and Other Financing Sources and Uses | | | <u>\$ (517,623)</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 the 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, 2016

| | HIF BOND FUND (SHARE 20200) | | | |
|--|-----------------------------|----------------------|-------------------------------|-------------------|
| | Budgeted Amounts | | Actual | Variance |
| | Original | Final | Amounts (Modified Accrual) | Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Federal funds | \$ - | \$ - | \$ - | \$ - |
| Other state funds | 7,570,000 | 7,570,000 | 7,892,116 | 322,116 |
| Transfers outside the agency | - | - | - | - |
| Interest revenue | 75,000 | 75,000 | 12,849 | (62,151) |
| Total Revenues and Other Financing Sources | <u>7,645,000</u> | <u>7,645,000</u> | <u>7,904,965</u> | <u>\$ 259,965</u> |
| Prior Year Funds Rebudgeted | <u>2,775,400</u> | <u>2,775,400</u> | | |
| | <u>\$ 10,420,400</u> | <u>\$ 10,420,400</u> | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ - | \$ - | - | \$ - |
| Contractual services | - | - | - | - |
| Other | 10,420,400 | 10,420,400 | 10,340,998 | 79,402 |
| Transfers (in) out | - | - | - | - |
| | <u>10,420,400</u> | <u>10,420,400</u> | <u>10,340,998</u> | <u>79,402</u> |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Program Support: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Annual Budgeted Expenditures and Other Financing Uses | <u>\$ 10,420,400</u> | <u>\$ 10,420,400</u> | <u>10,340,998</u> | <u>\$ 79,402</u> |
| Non-Budgeted Items: | | | | |
| Reversions | | | - | |
| Amortization | | | - | |
| Total Expenditures and Other Financing Uses | | | <u>10,340,998</u> | |
| Excess (Deficiency) of Revenues Over (Under) | | | | |
| Expenditures and Other Financing Sources and Uses | | | <u>\$ (2,436,033)</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 the 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, 2016

| | LOCAL GOVERNMENT ROAD FUND (SHARE 20300) | | | |
|--|--|----------------------|-------------------------------|----------------------|
| | Budgeted Amounts | | Actual | Variance |
| | Original | Final | Amounts (Modified Accrual) | Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Federal funds | \$ - | \$ - | \$ - | \$ - |
| Other state funds | 22,327,000 | 22,327,000 | 22,304,252 | (22,748) |
| Transfers outside the agency | - | - | - | - |
| Interest revenue | 140,000 | 140,000 | 50,115 | (89,885) |
| Total Revenues and Other Financing Sources | <u>22,467,000</u> | <u>22,467,000</u> | <u>22,354,367</u> | <u>\$ (112,633)</u> |
| Prior Year Funds Rebudgeted | <u>1,500,000</u> | <u>23,833,139</u> | | |
| | <u>\$ 23,967,000</u> | <u>\$ 46,300,139</u> | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ - | \$ - | - | - |
| Contractual services | - | - | - | - |
| Other | 23,967,000 | 41,380,317 | 22,369,577 | 19,010,740 |
| Transfers (in) out | - | - | - | - |
| | <u>23,967,000</u> | <u>41,380,317</u> | <u>22,369,577</u> | <u>19,010,740</u> |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | 4,919,822 | 2,947,125 | 1,972,697 |
| | <u>-</u> | <u>4,919,822</u> | <u>2,947,125</u> | <u>1,972,697</u> |
| Program Support: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Annual Budgeted Expenditures and Other Financing Uses | <u>\$ 23,967,000</u> | <u>\$ 46,300,139</u> | <u>25,316,702</u> | <u>\$ 20,983,437</u> |
| Non-Budgeted Items: | | | | |
| Reversions | | | - | |
| Amortization | | | - | |
| Total Expenditures and Other Financing Uses | | | <u>25,316,702</u> | |
| Excess (Deficiency) of Revenues Over (Under) | | | | |
| Expenditures and Other Financing Sources and Uses | | | <u>\$ (2,962,335)</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 the 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, 2016

| | STATE AVIATION FUND (SHARE 20500) | | | |
|--|-----------------------------------|----------------------|-------------------------------|---------------------|
| | Budgeted Amounts | | Actual | Variance |
| | Original | Final | Amounts (Modified Accrual) | Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Federal funds | \$ - | \$ 853,975 | \$ 1,113,245 | \$ 259,270 |
| Other state funds | 5,577,000 | 5,577,000 | 5,049,733 | (527,267) |
| Transfers outside the agency | - | - | - | - |
| Interest revenue | 97,000 | 97,000 | 30,877 | (66,123) |
| Total Revenues and Other Financing Sources | 5,674,000 | 6,527,975 | 6,193,855 | \$ (334,120) |
| Prior Year Funds Rebudgeted | - | 14,682,958 | | |
| | \$ 5,674,000 | \$ 21,210,933 | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ 413,800 | \$ 419,800 | 410,937 | \$ 8,863 |
| Contractual services | 250,000 | 2,148,263 | 1,373,865 | 774,398 |
| Other | 5,010,200 | 18,642,870 | 9,685,967 | 8,956,903 |
| Transfers (in) out | - | - | - | - |
| | 5,674,000 | 21,210,933 | 11,470,769 | 9,740,164 |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| | - | - | - | - |
| Program Support: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| | - | - | - | - |
| Total Annual Budgeted Expenditures and Other Financing Uses | \$ 5,674,000 | \$ 21,210,933 | 11,470,769 | \$ 9,740,164 |
| Non-Budgeted Items: | | | | |
| Reversions | | | - | |
| Amortization | | | - | |
| Total Expenditures and Other Financing Uses | | | 11,470,769 | |
| Excess (Deficiency) of Revenues Over (Under) | | | | |
| Expenditures and Other Financing Sources and Uses | | | \$ (5,276,914) | |

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 the 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, 2016

| | 1993 BOND PROJECT FUND (SHARE 39400) | | | |
|--|--------------------------------------|---------------------|-------------------------------|-------------------|
| | Budgeted Amounts | | Actual | Variance |
| | Original | Final | Amounts (Modified Accrual) | Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Federal funds | \$ - | \$ - | \$ - | \$ - |
| Other state funds | - | - | - | - |
| Transfers outside the agency | - | - | - | - |
| Interest revenue | - | - | 2,053 | 2,053 |
| Total Revenues and Other Financing Sources | - | - | 2,053 | \$ 2,053 |
| Prior Year Funds Rebudgeted | - | 1,600,000 | | |
| | \$ - | \$ 1,600,000 | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ - | \$ - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | 1,600,000 | 1,604,774 | (4,774) |
| | - | 1,600,000 | 1,604,774 | (4,774) |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| | - | - | - | - |
| Program Support: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| | - | - | - | - |
| Total Annual Budgeted Expenditures and Other Financing Uses | \$ - | \$ 1,600,000 | 1,604,774 | \$ (4,774) |
| Non-Budgeted Items: | | | | |
| Reversions | | | - | |
| Amortization | | | - | |
| Total Expenditures and Other Financing Uses | | | 1,604,774 | |
| Excess (Deficiency) of Revenues Over (Under) | | | | |
| Expenditures and Other Financing Sources and Uses | | | \$ (1,602,721) | |

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 the 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, 2016

| | 1999A CHAT BOND PROJECT FUND (SHARE 43000) | | | |
|--|--|-------------|-------------------------------|-----------------------|
| | Budgeted Amounts | | Actual | Variance |
| | Original | Final | Amounts (Modified Accrual) | Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Federal funds | \$ - | \$ - | \$ - | \$ - |
| Other state funds | - | - | - | - |
| Transfers outside the agency | - | - | - | - |
| Interest revenue | - | - | 4,847 | 4,847 |
| Total Revenues and Other Financing Sources | - | - | 4,847 | \$ 4,847 |
| Prior Year Funds Rebudgeted | - | - | | |
| | \$ - | \$ - | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ - | \$ - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | 2,133,351 | (2,133,351) |
| | - | - | 2,133,351 | (2,133,351) |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| | - | - | - | - |
| Program Support: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| | - | - | - | - |
| Total Annual Budgeted Expenditures and Other Financing Uses | \$ - | \$ - | 2,133,351 | \$ (2,133,351) |
| Non-Budgeted Items: | | | | |
| Reversions | | | - | |
| Amortization | | | - | |
| Total Expenditures and Other Financing Uses | | | 2,133,351 | |
| Excess (Deficiency) of Revenues Over (Under) | | | | |
| Expenditures and Other Financing Sources and Uses | | | \$ (2,128,504) | |

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 the 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, 2016

| | WIPP BOND PROJECT FUND (SHARE 43100) | | | |
|--|--------------------------------------|---------------------|-------------------------------|-----------------------|
| | Budgeted Amounts | | Actual | Variance |
| | Original | Final | Amounts (Modified Accrual) | Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Federal funds | \$ - | \$ 7,200,000 | \$ - | \$ (7,200,000) |
| Other state funds | - | - | - | - |
| Transfers outside the agency | - | - | - | - |
| Interest revenue | - | - | - | - |
| Total Revenues and Other Financing Sources | - | 7,200,000 | - | \$ (7,200,000) |
| Prior Year Funds Rebudgeted | - | - | | |
| | \$ - | \$ 7,200,000 | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ - | \$ - | \$ - | \$ - |
| Contractual services | - | 7,200,000 | - | 7,200,000 |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| | - | 7,200,000 | - | 7,200,000 |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| | - | - | - | - |
| Program Support: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| | - | - | - | - |
| Total Annual Budgeted Expenditures and Other Financing Uses | \$ - | \$ 7,200,000 | - | \$ 7,200,000 |
| Non-Budgeted Items: | | | | |
| Reversions | | | - | |
| Amortization | | | - | |
| Total Expenditures and Other Financing Uses | | | - | |
| Excess (Deficiency) of Revenues Over (Under) | | | | |
| Expenditures and Other Financing Sources and Uses | | | \$ - | |

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 the 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, 2016

| | 2001A CHAT BOND PROJECT FUND (SHARE 00600) | | | |
|--|--|-------------|-------------------------------|-----------------------|
| | Budgeted Amounts | | Actual | Variance |
| | Original | Final | Amounts (Modified Accrual) | Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Federal funds | \$ - | \$ - | \$ - | \$ - |
| Other state funds | - | - | - | - |
| Transfers outside the agency | - | - | - | - |
| Interest revenue | - | - | 10,796 | 10,796 |
| Total Revenues and Other Financing Sources | - | - | 10,796 | \$ 10,796 |
| Prior Year Funds Rebudgeted | - | - | | |
| | \$ - | \$ - | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ - | \$ - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | 4,752,908 | (4,752,908) |
| | - | - | 4,752,908 | (4,752,908) |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| | - | - | - | - |
| Program Support: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| | - | - | - | - |
| Total Annual Budgeted Expenditures and Other Financing Uses | \$ - | \$ - | 4,752,908 | \$ (4,752,908) |
| Non-Budgeted Items: | | | | |
| Reversions | | | - | |
| Amortization | | | - | |
| Total Expenditures and Other Financing Uses | | | 4,752,908 | |
| Excess (Deficiency) of Revenues Over (Under) | | | | |
| Expenditures and Other Financing Sources and Uses | | | \$ (4,742,112) | |

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 the 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, 2016

| | 2002C HIF BOND PROJECT FUND (SHARE 36100) | | | |
|--|---|-------------|-------------------------------|-----------------------|
| | Budgeted Amounts | | Actual | Variance |
| | Original | Final | Amounts (Modified Accrual) | Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Federal funds | \$ - | \$ - | \$ - | \$ - |
| Other state funds | - | - | - | - |
| Transfers outside the agency | - | - | - | - |
| Interest revenue | - | - | 2,985 | 2,985 |
| Total Revenues and Other Financing Sources | - | - | 2,985 | \$ 2,985 |
| Prior Year Funds Rebudgeted | - | - | | |
| | \$ - | \$ - | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ - | \$ - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | 1,313,633 | (1,313,633) |
| | - | - | 1,313,633 | (1,313,633) |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| | - | - | - | - |
| Program Support: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| | - | - | - | - |
| Total Annual Budgeted Expenditures and Other Financing Uses | \$ - | \$ - | 1,313,633 | \$ (1,313,633) |
| Non-Budgeted Items: | | | | |
| Reversions | | | - | |
| Amortization | | | - | |
| Total Expenditures and Other Financing Uses | | | 1,313,633 | |
| Excess (Deficiency) of Revenues Over (Under) | | | | |
| Expenditures and Other Financing Sources and Uses | | | \$ (1,310,648) | |

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 the 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, 2016

| | 2002D CHAT BOND PROJECT FUND (SHARE 11500) | | | |
|---|--|-------------|-------------------------------|---------------------|
| | Budgeted Amounts | | Actual | Variance |
| | Original | Final | Amounts (Modified Accrual) | Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Federal funds | \$ - | \$ - | \$ - | \$ - |
| Other state funds | - | - | - | - |
| Transfers outside the agency | - | - | - | - |
| Interest revenue | - | - | 1,458 | 1,458 |
| Total Revenues and Other Financing Sources | - | - | 1,458 | \$ 1,458 |
| Prior Year Funds Rebudgeted | - | - | | |
| | \$ - | \$ - | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ - | \$ - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | 641,758 | (641,758) |
| | - | - | 641,758 | (641,758) |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| | - | - | - | - |
| Program Support: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| | - | - | - | - |
| Total Annual Budgeted Expenditures and Other Financing Uses | \$ - | \$ - | 641,758 | \$ (641,758) |
| Non-Budgeted Items: | | | | |
| Reversions | | | - | |
| Amortization | | | - | |
| Total Expenditures and Other Financing Uses | | | 641,758 | |
| Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources and Uses | | | \$ (640,300) | |

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 the 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, 2016

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

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 the 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, 2016

| | 2006A GRIP BOND PROJECT FUND (SHARE 10210) | | | |
|--|--|-------------|-------------------------------|---------------------|
| | Budgeted Amounts | | Actual | Variance |
| | Original | Final | Amounts (Modified Accrual) | Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Federal funds | \$ - | \$ - | \$ - | \$ - |
| Other state funds | - | - | - | - |
| Transfers outside the agency | - | - | - | - |
| Interest revenue | - | - | 208 | 208 |
| Total Revenues and Other Financing Sources | - | - | 208 | \$ 208 |
| Prior Year Funds Rebudgeted | - | - | | |
| | \$ - | \$ - | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ - | \$ - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | 487,488 | (487,488) |
| | - | - | 487,488 | (487,488) |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| | - | - | - | - |
| Program Support: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| | - | - | - | - |
| Total Annual Budgeted Expenditures and Other Financing Uses | \$ - | \$ - | 487,488 | \$ (487,488) |
| Non-Budgeted Items: | | | | |
| Reversions | | | - | |
| Amortization | | | - | |
| Total Expenditures and Other Financing Uses | | | 487,488 | |
| Excess (Deficiency) of Revenues Over (Under) | | | | |
| Expenditures and Other Financing Sources and Uses | | | \$ (487,280) | |

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 the 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, 2016

| | 2006B GRIP BOND PROJECT FUND (SHARE 10230) | | | |
|--|--|-------------|-------------------------------|--------------------|
| | Budgeted Amounts | | Actual | Variance |
| | Original | Final | Amounts (Modified Accrual) | Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Federal funds | \$ - | \$ - | \$ - | \$ - |
| Other state funds | - | - | - | - |
| Transfers outside the agency | - | - | - | - |
| Interest revenue | - | - | 14 | 14 |
| Total Revenues and Other Financing Sources | - | - | 14 | \$ 14 |
| Prior Year Funds Rebudgeted | - | - | | |
| | \$ - | \$ - | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ - | \$ - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | 60,073 | (60,073) |
| | - | - | 60,073 | (60,073) |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| | - | - | - | - |
| Program Support: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| | - | - | - | - |
| Total Annual Budgeted Expenditures and Other Financing Uses | \$ - | \$ - | 60,073 | \$ (60,073) |
| Non-Budgeted Items: | | | | |
| Reversions | | | - | |
| Amortization | | | - | |
| Total Expenditures and Other Financing Uses | | | 60,073 | |
| Excess (Deficiency) of Revenues Over (Under) | | | | |
| Expenditures and Other Financing Sources and Uses | | | \$ (60,059) | |

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 the 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, 2016

| | 2006C GRIP BOND PROJECT FUND (SHARE 10250) | | | |
|--|--|-------------|-------------------------------|---------------------|
| | Budgeted Amounts | | Actual | Variance |
| | Original | Final | Amounts (Modified Accrual) | Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Federal funds | \$ - | \$ - | \$ - | \$ - |
| Other state funds | - | - | - | - |
| Transfers outside the agency | - | - | - | - |
| Interest revenue | - | - | 229 | 229 |
| Total Revenues and Other Financing Sources | - | - | 229 | \$ 229 |
| Prior Year Funds Rebudgeted | - | - | | |
| | \$ - | \$ - | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ - | \$ - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | 179,403 | (179,403) |
| | - | - | 179,403 | (179,403) |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| | - | - | - | - |
| Program Support: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| | - | - | - | - |
| Total Annual Budgeted Expenditures and Other Financing Uses | \$ - | \$ - | 179,403 | \$ (179,403) |
| Non-Budgeted Items: | | | | |
| Reversions | | | - | |
| Amortization | | | - | |
| Total Expenditures and Other Financing Uses | | | 179,403 | |
| Excess (Deficiency) of Revenues Over (Under) | | | | |
| Expenditures and Other Financing Sources and Uses | | | \$ (179,174) | |

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 the 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, 2016

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

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 the 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, 2016

| | 2010A BOND PROJECT FUND (SHARE 10450) | | | |
|--|---------------------------------------|-------------|-------------------------------|-----------------------|
| | Budgeted Amounts | | Actual | Variance |
| | Original | Final | Amounts (Modified Accrual) | Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Federal funds | \$ - | \$ - | \$ - | \$ - |
| Other state funds | - | - | - | - |
| Transfers outside the agency | - | - | - | - |
| Interest revenue | - | - | 2,512 | 2,512 |
| Total Revenues and Other Financing Sources | - | - | 2,512 | \$ 2,512 |
| Prior Year Funds Rebudgeted | - | - | | |
| | \$ - | \$ - | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ - | \$ - | - | \$ - |
| Contractual services | - | - | 4,728,668 | (4,728,668) |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| | - | - | 4,728,668 | (4,728,668) |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| | - | - | - | - |
| Program Support: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| | - | - | - | - |
| Total Annual Budgeted Expenditures and Other Financing Uses | \$ - | \$ - | 4,728,668 | \$ (4,728,668) |
| Non-Budgeted Items: | | | | |
| Reversions | | | - | |
| Amortization | | | - | |
| Total Expenditures and Other Financing Uses | | | 4,728,668 | |
| Excess (Deficiency) of Revenues Over (Under) | | | | |
| Expenditures and Other Financing Sources and Uses | | | \$ (4,726,156) | |

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 the 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, 2016

| | 1998A WIPP BOND DEBT SERVICE FUND (SHARE 97200) | | | |
|--|---|-------------|-------------------------------|---------------------|
| | Budgeted Amounts | | Actual | Variance |
| | Original | Final | Amounts (Modified Accrual) | Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Federal funds | \$ - | \$ - | \$ - | \$ - |
| Other state funds | - | - | - | - |
| Transfers outside the agency | - | - | - | - |
| Interest revenue | - | - | 33 | 33 |
| Total Revenues and Other Financing Sources | - | - | 33 | \$ 33 |
| Prior Year Funds Rebudgeted | - | - | | |
| | \$ - | \$ - | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ - | \$ - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | 213,869 | (213,869) |
| | - | - | 213,869 | (213,869) |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| | - | - | - | - |
| Program Support: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| | - | - | - | - |
| Total Annual Budgeted Expenditures and Other Financing Uses | \$ - | \$ - | 213,869 | \$ (213,869) |
| Non-Budgeted Items: | | | | |
| Reversions | | | - | |
| Amortization | | | - | |
| Total Expenditures and Other Financing Uses | | | 213,869 | |
| Excess (Deficiency) of Revenues Over (Under) | | | | |
| Expenditures and Other Financing Sources and Uses | | | \$ (213,836) | |

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 the 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, 2016

| | 1998A CHAT BOND DEBT SERVICE FUND (SHARE 54800) | | | |
|---|---|-------------|-------------------------------|---------------------|
| | Budgeted Amounts | | Actual | Variance |
| | Original | Final | Amounts (Modified Accrual) | Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Federal funds | \$ - | \$ - | \$ - | \$ - |
| Other state funds | - | - | - | - |
| Transfers outside the agency | - | - | - | - |
| Interest revenue | - | - | 324 | 324 |
| Total Revenues and Other Financing Sources | - | - | 324 | \$ 324 |
| Prior Year Funds Rebudgeted | - | - | | |
| | \$ - | \$ - | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ - | \$ - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | 228,808 | (228,808) |
| | - | - | 228,808 | (228,808) |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| | - | - | - | - |
| Program Support: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| | - | - | - | - |
| Total Annual Budgeted Expenditures and Other Financing Uses | \$ - | \$ - | 228,808 | \$ (228,808) |
| Non-Budgeted Items: | | | | |
| Reversions | | | - | |
| Amortization | | | - | |
| Total Expenditures and Other Financing Uses | | | 228,808 | |
| Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources and Uses | | | \$ (228,484) | |

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 the 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, 2016

| | 1999 CHAT BOND DEBT SERVICE FUND (SHARE 43400) | | | |
|--|--|-------------|-------------------------------|--------------------------|
| | Budgeted Amounts | | Actual | |
| | Original | Final | Amounts (Modified Accrual) | Variance Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Federal funds | \$ - | \$ - | \$ - | \$ - |
| Other state funds | - | - | - | - |
| Transfers outside the agency | - | - | - | - |
| Interest revenue | - | - | 609 | 609 |
| Total Revenues and Other Financing Sources | - | - | 609 | \$ 609 |
| Prior Year Funds Rebudgeted | - | - | | |
| | \$ - | \$ - | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ - | \$ - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | 1,018,312 | (1,018,312) |
| | - | - | 1,018,312 | (1,018,312) |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| | - | - | - | - |
| Program Support: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| | - | - | - | - |
| Total Annual Budgeted Expenditures and Other Financing Uses | \$ - | \$ - | 1,018,312 | \$ (1,018,312) |
| Non-Budgeted Items: | | | | |
| Reversions | | | - | |
| Amortization | | | - | |
| Total Expenditures and Other Financing Uses | | | 1,018,312 | |
| Excess (Deficiency) of Revenues Over (Under) | | | | |
| Expenditures and Other Financing Sources and Uses | | | \$ (1,017,703) | |

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 the 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, 2016

| | 2000 CHAT BOND DEBT SERVICE FUND (SHARE 43200) | | | |
|---|--|-------------|-------------------------------|-----------------------|
| | Budgeted Amounts | | Actual | Variance |
| | Original | Final | Amounts (Modified Accrual) | Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Federal funds | \$ - | \$ - | \$ - | \$ - |
| Other state funds | - | - | - | - |
| Transfers outside the agency | - | - | - | - |
| Interest revenue | - | - | 467 | 467 |
| Total Revenues and Other Financing Sources | - | - | 467 | \$ 467 |
| Prior Year Funds Rebudgeted | - | - | | |
| | \$ - | \$ - | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ - | \$ - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | 1,390,036 | (1,390,036) |
| | - | - | 1,390,036 | (1,390,036) |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| | - | - | - | - |
| Program Support: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| | - | - | - | - |
| Total Annual Budgeted Expenditures and Other Financing Uses | \$ - | \$ - | 1,390,036 | \$ (1,390,036) |
| Non-Budgeted Items: | | | | |
| Reversions | | | - | |
| Amortization | | | - | |
| Total Expenditures and Other Financing Uses | | | 1,390,036 | |
| Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources and Uses | | | \$ (1,389,569) | |

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 the 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, 2016

| | 2001A CHAT BOND DEBT SERVICE FUND (SHARE 00700) | | | |
|--|---|-------------|-------------------------------|-----------------------|
| | Budgeted Amounts | | Actual | Variance |
| | Original | Final | Amounts (Modified Accrual) | Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Federal funds | \$ - | \$ - | \$ - | \$ - |
| Other state funds | - | - | - | - |
| Transfers outside the agency | - | - | - | - |
| Interest revenue | - | - | 535 | 535 |
| Total Revenues and Other Financing Sources | - | - | 535 | \$ 535 |
| Prior Year Funds Rebudgeted | - | - | | |
| | \$ - | \$ - | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ - | \$ - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | 1,887,019 | (1,887,019) |
| | - | - | 1,887,019 | (1,887,019) |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| | - | - | - | - |
| Program Support: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| | - | - | - | - |
| Total Annual Budgeted Expenditures and Other Financing Uses | \$ - | \$ - | 1,887,019 | \$ (1,887,019) |
| Non-Budgeted Items: | | | | |
| Reversions | | | - | |
| Amortization | | | - | |
| Total Expenditures and Other Financing Uses | | | 1,887,019 | |
| Excess (Deficiency) of Revenues Over (Under) | | | | |
| Expenditures and Other Financing Sources and Uses | | | \$ (1,886,484) | |

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 the 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, 2016

| | 2002A CHAT BOND DEBT SERVICE FUND (SHARE 54700) | | | |
|--|---|-------------|-------------------------------|---------------------|
| | Budgeted Amounts | | Actual | Variance |
| | Original | Final | Amounts (Modified Accrual) | Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Federal funds | \$ - | \$ - | \$ - | \$ - |
| Other state funds | - | - | - | - |
| Transfers outside the agency | - | - | - | - |
| Interest revenue | - | - | 191 | 191 |
| Total Revenues and Other Financing Sources | - | - | 191 | \$ 191 |
| Prior Year Funds Rebudgeted | - | - | | |
| | \$ - | \$ - | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ - | \$ - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | 774,621 | (774,621) |
| | - | - | 774,621 | (774,621) |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| | - | - | - | - |
| Program Support: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| | - | - | - | - |
| Total Annual Budgeted Expenditures and Other Financing Uses | \$ - | \$ - | 774,621 | \$ (774,621) |
| Non-Budgeted Items: | | | | |
| Reversions | | | - | |
| Amortization | | | - | |
| Total Expenditures and Other Financing Uses | | | 774,621 | |
| Excess (Deficiency) of Revenues Over (Under) | | | | |
| Expenditures and Other Financing Sources and Uses | | | \$ (774,430) | |

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 the 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, 2016

| | 2002B WIPP BOND DEBT SERVICE FUND (SHARE 75000) | | | |
|--|---|-------------|-------------------------------|--------------------------|
| | Budgeted Amounts | | Actual | |
| | Original | Final | Amounts (Modified Accrual) | Variance Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Federal funds | \$ - | \$ - | \$ - | \$ - |
| Other state funds | - | - | - | - |
| Transfers outside the agency | - | - | - | - |
| Interest revenue | - | - | 253 | 253 |
| Total Revenues and Other Financing Sources | - | - | 253 | \$ 253 |
| Prior Year Funds Rebudgeted | - | - | | |
| | \$ - | \$ - | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ - | \$ - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | 814,377 | (814,377) |
| | - | - | 814,377 | (814,377) |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| | - | - | - | - |
| Program Support: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| | - | - | - | - |
| Total Annual Budgeted Expenditures and Other Financing Uses | \$ - | \$ - | 814,377 | \$ (814,377) |
| Non-Budgeted Items: | | | | |
| Reversions | | | - | |
| Amortization | | | - | |
| Total Expenditures and Other Financing Uses | | | 814,377 | |
| Excess (Deficiency) of Revenues Over (Under) | | | | |
| Expenditures and Other Financing Sources and Uses | | | \$ (814,124) | |

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 the 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, 2016

| | 2002C HIF BOND DEBT SERVICE FUND (SHARE 36300) | | | |
|--|--|-------------|-------------------------------|--------------------|
| | Budgeted Amounts | | Actual | Variance |
| | Original | Final | Amounts (Modified Accrual) | Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Federal funds | \$ - | \$ - | \$ - | \$ - |
| Other state funds | - | - | - | - |
| Transfers outside the agency | - | - | - | - |
| Interest revenue | - | - | 143 | 143 |
| Total Revenues and Other Financing Sources | - | - | 143 | \$ 143 |
| Prior Year Funds Rebudgeted | - | - | | |
| | \$ - | \$ - | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ - | \$ - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | 62,697 | (62,697) |
| | - | - | 62,697 | (62,697) |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| | - | - | - | - |
| Program Support: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| | - | - | - | - |
| Total Annual Budgeted Expenditures and Other Financing Uses | \$ - | \$ - | 62,697 | \$ (62,697) |
| Non-Budgeted Items: | | | | |
| Reversions | | | - | |
| Amortization | | | - | |
| Total Expenditures and Other Financing Uses | | | 62,697 | |
| Excess (Deficiency) of Revenues Over (Under) | | | | |
| Expenditures and Other Financing Sources and Uses | | | \$ (62,554) | |

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 the 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, 2016

| | 2002D CHAT BOND DEBT SERVICE FUND (SHARE 18700) | | | |
|--|---|-------------|-------------------------------|--------------------|
| | Budgeted Amounts | | Actual | Variance |
| | Original | Final | Amounts (Modified Accrual) | Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Federal funds | \$ - | \$ - | \$ - | \$ - |
| Other state funds | - | - | - | - |
| Transfers outside the agency | - | - | - | - |
| Interest revenue | - | - | 29 | 29 |
| Total Revenues and Other Financing Sources | - | - | 29 | \$ 29 |
| Prior Year Funds Rebudgeted | - | - | | |
| | \$ - | \$ - | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ - | \$ - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | 12,903 | (12,903) |
| | - | - | 12,903 | (12,903) |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| | - | - | - | - |
| Program Support: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| | - | - | - | - |
| Total Annual Budgeted Expenditures and Other Financing Uses | \$ - | \$ - | 12,903 | \$ (12,903) |
| Non-Budgeted Items: | | | | |
| Reversions | | | - | |
| Amortization | | | - | |
| Total Expenditures and Other Financing Uses | | | 12,903 | |
| Excess (Deficiency) of Revenues Over (Under) | | | | |
| Expenditures and Other Financing Sources and Uses | | | \$ (12,874) | |

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 the 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, 2016

| | 2004A GRIP BOND DEBT SERVICE FUND (SHARE 10080) | | | |
|--|---|-------------|-------------------------------|-----------------|
| | Budgeted Amounts | | Actual | Variance |
| | Original | Final | Amounts (Modified Accrual) | Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Federal funds | \$ - | \$ - | \$ - | \$ - |
| Other state funds | - | - | - | - |
| Transfers outside the agency | - | - | - | - |
| Interest revenue | - | - | - | - |
| Total Revenues and Other Financing Sources | - | - | - | \$ - |
| Prior Year Funds Rebudgeted | - | - | | |
| | \$ - | \$ - | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ - | \$ - | - | \$ - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | 963 | (963) |
| | - | - | 963 | (963) |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| | - | - | - | - |
| Program Support: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| | - | - | - | - |
| Total Annual Budgeted Expenditures and Other Financing Uses | \$ - | \$ - | 963 | \$ (963) |
| Non-Budgeted Items: | | | | |
| Reversions | | | - | |
| Amortization | | | - | |
| Total Expenditures and Other Financing Uses | | | 963 | |
| Excess (Deficiency) of Revenues Over (Under) | | | | |
| Expenditures and Other Financing Sources and Uses | | | \$ (963) | |

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 the 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, 2016

| | 2004B GRIP BOND DEBT SERVICE FUND (SHARE 10090) | | | |
|--|---|-------------|-------------------------------|-----------------------|
| | Budgeted Amounts | | Actual | Variance |
| | Original | Final | Amounts (Modified Accrual) | Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Federal funds | \$ - | \$ - | \$ - | \$ - |
| Other state funds | - | - | - | - |
| Transfers outside the agency | - | - | - | - |
| Interest revenue | - | - | 545 | 545 |
| Total Revenues and Other Financing Sources | - | - | 545 | \$ 545 |
| Prior Year Funds Rebudgeted | - | - | | |
| | \$ - | \$ - | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ - | \$ - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | 1,541,501 | (1,541,501) |
| | - | - | 1,541,501 | (1,541,501) |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| | - | - | - | - |
| Program Support: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| | - | - | - | - |
| Total Annual Budgeted Expenditures and Other Financing Uses | \$ - | \$ - | 1,541,501 | \$ (1,541,501) |
| Non-Budgeted Items: | | | | |
| Reversions | | | - | |
| Amortization | | | - | |
| Total Expenditures and Other Financing Uses | | | 1,541,501 | |
| Excess (Deficiency) of Revenues Over (Under) | | | | |
| Expenditures and Other Financing Sources and Uses | | | \$ (1,540,956) | |

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 the 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, 2016

| | 2006A GRIP BOND DEBT SERVICE FUND (SHARE 10220) | | | |
|--|---|-------------|-------------------------------|---------------|
| | Budgeted Amounts | | Actual | Variance |
| | Original | Final | Amounts (Modified Accrual) | Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Federal funds | \$ - | \$ - | \$ - | \$ - |
| Other state funds | - | - | - | - |
| Transfers outside the agency | - | - | - | - |
| Interest revenue | - | - | 448 | 448 |
| Total Revenues and Other Financing Sources | - | - | 448 | \$ 448 |
| Prior Year Funds Rebudgeted | - | - | | |
| | \$ - | \$ - | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ - | \$ - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Program Support: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| Total Annual Budgeted Expenditures and Other Financing Uses | \$ - | \$ - | - | \$ - |
| Non-Budgeted Items: | | | | |
| Reversions | | | - | |
| Amortization | | | - | |
| Total Expenditures and Other Financing Uses | | | - | |
| Excess (Deficiency) of Revenues Over (Under) | | | | |
| Expenditures and Other Financing Sources and Uses | | | \$ 448 | |

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 the 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, 2016

| | 2006B GRIP BOND DEBT SERVICE FUND (SHARE 10240) | | | |
|--|---|-------------|-------------------------------|---------------|
| | Budgeted Amounts | | Actual | Variance |
| | Original | Final | Amounts (Modified Accrual) | Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Federal funds | \$ - | \$ - | \$ - | \$ - |
| Other state funds | - | - | - | - |
| Transfers outside the agency | - | - | - | - |
| Interest revenue | - | - | 154 | 154 |
| Total Revenues and Other Financing Sources | - | - | 154 | \$ 154 |
| Prior Year Funds Rebudgeted | - | - | | |
| | \$ - | \$ - | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ - | \$ - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Program Support: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| Total Annual Budgeted Expenditures and Other Financing Uses | \$ - | \$ - | - | \$ - |
| Non-Budgeted Items: | | | | |
| Reversions | | | - | |
| Amortization | | | - | |
| Total Expenditures and Other Financing Uses | | | - | |
| Excess (Deficiency) of Revenues Over (Under) | | | | |
| Expenditures and Other Financing Sources and Uses | | | \$ 154 | |

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 the 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, 2016

| | 2008A GRIP BOND DEBT SERVICE FUND (SHARE 10410) | | | |
|--|---|-------------|-------------------------------|---------------------|
| | Budgeted Amounts | | Actual | Variance |
| | Original | Final | Amounts (Modified Accrual) | Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Federal funds | \$ - | \$ - | \$ - | \$ - |
| Other state funds | - | - | - | - |
| Transfers outside the agency | - | - | - | - |
| Interest revenue | - | - | 259,470 | 259,470 |
| Total Revenues and Other Financing Sources | - | - | 259,470 | \$ 259,470 |
| Prior Year Funds Rebudgeted | - | - | | |
| | \$ - | \$ - | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ - | \$ - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | 138,780 | (138,780) |
| Transfers (in) out | - | - | (1,243,971) | 1,243,971 |
| | - | - | (1,105,191) | 1,105,191 |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| | - | - | - | - |
| Program Support: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| | - | - | - | - |
| Total Annual Budgeted Expenditures and Other Financing Uses | \$ - | \$ - | (1,105,191) | \$ 1,105,191 |
| Non-Budgeted Items: | | | | |
| Reversions | | | - | |
| Amortization | | | - | |
| Total Expenditures and Other Financing Uses | | | (1,105,191) | |
| Excess (Deficiency) of Revenues Over (Under) | | | | |
| Expenditures and Other Financing Sources and Uses | | | \$ 1,364,661 | |

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 the 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, 2016

| | 2008B GRIP BOND DEBT SERVICE FUND (SHARE 10420) | | | |
|--|---|-------------|-------------------------------|---------------------|
| | Budgeted Amounts | | Actual | Variance |
| | Original | Final | Amounts (Modified Accrual) | Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Federal funds | \$ - | \$ - | \$ - | \$ - |
| Other state funds | - | - | - | - |
| Transfers outside the agency | - | - | - | - |
| Interest revenue | - | - | 1,014,274 | 1,014,274 |
| Total Revenues and Other Financing Sources | - | - | 1,014,274 | \$ 1,014,274 |
| Prior Year Funds Rebudgeted | - | - | | |
| | \$ - | \$ - | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ - | \$ - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | 863,097 | (863,097) |
| Transfers (in) out | - | - | (4,647,419) | 4,647,419 |
| | - | - | (3,784,322) | 3,784,322 |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| | - | - | - | - |
| Program Support: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| | - | - | - | - |
| Total Annual Budgeted Expenditures and Other Financing Uses | \$ - | \$ - | (3,784,322) | \$ 3,784,322 |
| Non-Budgeted Items: | | | | |
| Reversions | | | - | |
| Amortization | | | - | |
| Total Expenditures and Other Financing Uses | | | (3,784,322) | |
| Excess (Deficiency) of Revenues Over (Under) | | | | |
| Expenditures and Other Financing Sources and Uses | | | \$ 4,798,596 | |

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 the 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, 2016

| | 2008C GRIP BOND DEBT SERVICE FUND (SHARE 10430) | | | |
|--|---|-------------|-------------------------------|-------------------|
| | Budgeted Amounts | | Actual | Variance |
| | Original | Final | Amounts (Modified Accrual) | Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Federal funds | \$ - | \$ - | \$ - | \$ - |
| Other state funds | - | - | - | - |
| Transfers outside the agency | - | - | - | - |
| Interest revenue | - | - | 190,791 | 190,791 |
| Total Revenues and Other Financing Sources | - | - | 190,791 | \$ 190,791 |
| Prior Year Funds Rebudgeted | - | - | | |
| | \$ - | \$ - | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ - | \$ - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | 129,692 | (129,692) |
| Transfers (in) out | - | - | (915,701) | 915,701 |
| | - | - | (786,009) | 786,009 |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| | - | - | - | - |
| Program Support: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| | - | - | - | - |
| Total Annual Budgeted Expenditures and Other Financing Uses | \$ - | \$ - | (786,009) | \$ 786,009 |
| Non-Budgeted Items: | | | | |
| Reversions | | | - | |
| Amortization | | | - | |
| Total Expenditures and Other Financing Uses | | | (786,009) | |
| Excess (Deficiency) of Revenues Over (Under) | | | | |
| Expenditures and Other Financing Sources and Uses | | | \$ 976,800 | |

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 the 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, 2016

| | 2009A BOND DEBT SERVICE FUND (SHARE 11130) | | | |
|--|--|-------------|-------------------------------|-----------------|
| | Budgeted Amounts | | Actual | Variance |
| | Original | Final | Amounts (Modified Accrual) | Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Federal funds | \$ - | \$ - | \$ - | \$ - |
| Other state funds | - | - | - | - |
| Transfers outside the agency | - | - | - | - |
| Interest revenue | - | - | 4,606 | 4,606 |
| Total Revenues and Other Financing Sources | - | - | 4,606 | \$ 4,606 |
| Prior Year Funds Rebudgeted | - | - | | |
| | \$ - | \$ - | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ - | \$ - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Program Support: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| Total Annual Budgeted Expenditures and Other Financing Uses | \$ - | \$ - | - | \$ - |
| Non-Budgeted Items: | | | | |
| Reversions | | | - | |
| Amortization | | | - | |
| Total Expenditures and Other Financing Uses | | | - | |
| Excess (Deficiency) of Revenues Over (Under) | | | | |
| Expenditures and Other Financing Sources and Uses | | | \$ 4,606 | |

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 the 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, 2016

| | 2010A BOND DEBT SERVICE FUND (SHARE 11140) | | | |
|--|--|-------------|-------------------------------|-----------------|
| | Budgeted Amounts | | Actual | Variance |
| | Original | Final | Amounts (Modified Accrual) | Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Federal funds | \$ - | \$ - | \$ - | \$ - |
| Other state funds | - | - | - | - |
| Transfers outside the agency | - | - | - | - |
| Interest revenue | - | - | 2,519 | 2,519 |
| Total Revenues and Other Financing Sources | - | - | 2,519 | \$ 2,519 |
| Prior Year Funds Rebudgeted | - | - | | |
| | \$ - | \$ - | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ - | \$ - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | 1 | (1) |
| Transfers (in) out | - | - | - | - |
| | - | - | 1 | (1) |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| | - | - | - | - |
| Program Support: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| | - | - | - | - |
| Total Annual Budgeted Expenditures and Other Financing Uses | \$ - | \$ - | 1 | \$ (1) |
| Non-Budgeted Items: | | | | |
| Reversions | | | - | |
| Amortization | | | - | |
| Total Expenditures and Other Financing Uses | | | 1 | |
| Excess (Deficiency) of Revenues Over (Under) | | | | |
| Expenditures and Other Financing Sources and Uses | | | \$ 2,518 | |

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 the 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, 2016

| | 2010B BOND DEBT SERVICE FUND (SHARE 20450) | | | |
|--|--|-------------|-------------------------------|-----------------|
| | Budgeted Amounts | | Actual | Variance |
| | Original | Final | Amounts (Modified Accrual) | Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Federal funds | \$ - | \$ - | \$ - | \$ - |
| Other state funds | - | - | - | - |
| Transfers outside the agency | - | - | - | - |
| Interest revenue | - | - | 8,355 | 8,355 |
| Total Revenues and Other Financing Sources | - | - | 8,355 | \$ 8,355 |
| Prior Year Funds Rebudgeted | - | - | | |
| | \$ - | \$ - | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ - | \$ - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Program Support: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| Total Annual Budgeted Expenditures and Other Financing Uses | \$ - | \$ - | - | \$ - |
| Non-Budgeted Items: | | | | |
| Reversions | | | - | |
| Amortization | | | - | |
| Total Expenditures and Other Financing Uses | | | - | |
| Excess (Deficiency) of Revenues Over (Under) | | | | |
| Expenditures and Other Financing Sources and Uses | | | \$ 8,355 | |

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 the 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, 2016

| | 2012A BOND DEBT SERVICE FUND (SHARE 30850) | | | |
|--|--|-------------|-------------------------------|------------------|
| | Budgeted Amounts | | Actual | Variance |
| | Original | Final | Amounts (Modified Accrual) | Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Federal funds | \$ - | \$ - | \$ - | \$ - |
| Other state funds | - | - | - | - |
| Transfers outside the agency | - | - | - | - |
| Interest revenue | - | - | 42,164 | 42,164 |
| Total Revenues and Other Financing Sources | - | - | 42,164 | \$ 42,164 |
| Prior Year Funds Rebudgeted | - | - | | |
| | \$ - | \$ - | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ - | \$ - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Program Support: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| Total Annual Budgeted Expenditures and Other Financing Uses | \$ - | \$ - | - | \$ - |
| Non-Budgeted Items: | | | | |
| Reversions | | | - | |
| Amortization | | | - | |
| Total Expenditures and Other Financing Uses | | | - | |
| Excess (Deficiency) of Revenues Over (Under) | | | | |
| Expenditures and Other Financing Sources and Uses | | | \$ 42,164 | |

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 the 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, 2016

| | 2014A BOND DEBT SERVICE FUND (SHARE 11960) | | | |
|--|--|-------------|-------------------------------|-----------------|
| | Budgeted Amounts | | Actual | Variance |
| | Original | Final | Amounts (Modified Accrual) | Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Federal funds | \$ - | \$ - | \$ - | \$ - |
| Other state funds | - | - | - | - |
| Transfers outside the agency | - | - | - | - |
| Interest revenue | - | - | 1,357 | 1,357 |
| Total Revenues and Other Financing Sources | - | - | 1,357 | \$ 1,357 |
| Prior Year Funds Rebudgeted | - | - | | |
| | \$ - | \$ - | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure | | | | |
| Personal services/employee benefits | \$ - | \$ - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Program Support: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| Total Annual Budgeted Expenditures and Other Financing Uses | \$ - | \$ - | - | \$ - |
| Non-Budgeted Items: | | | | |
| Reversions | | | - | |
| Amortization | | | - | |
| Total Expenditures and Other Financing Uses | | | - | |
| Excess (Deficiency) of Revenues Over (Under) | | | | |
| Expenditures and Other Financing Sources and Uses | | | \$ 1,357 | |

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 the 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, 2016

| | 2014B BOND DEBT SERVICE FUND (SHARE 50110) | | | |
|--|--|-------------|-------------------------------|-----------------|
| | Budgeted Amounts | | Actual | Variance |
| | Original | Final | Amounts (Modified Accrual) | Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Federal funds | \$ - | \$ - | \$ - | \$ - |
| Other state funds | - | - | - | - |
| Transfers outside the agency | - | - | - | - |
| Interest revenue | - | - | 1,644 | 1,644 |
| Total Revenues and Other Financing Sources | - | - | 1,644 | \$ 1,644 |
| Prior Year Funds Rebudgeted | - | - | | |
| | \$ - | \$ - | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ - | \$ - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Program Support: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| Total Annual Budgeted Expenditures and Other Financing Uses | \$ - | \$ - | - | \$ - |
| Non-Budgeted Items: | | | | |
| Reversions | | | - | |
| Amortization | | | - | |
| Total Expenditures and Other Financing Uses | | | - | |
| Excess (Deficiency) of Revenues Over (Under) | | | | |
| Expenditures and Other Financing Sources and Uses | | | \$ 1,644 | |

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 the 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, 2016

| | STATE INFRASTRUCTURE BANK (SHARE 89300) | | | |
|--|---|---------------------|-------------------------------|---------------------|
| | Budgeted Amounts | | Actual | Variance |
| | Original | Final | Amounts (Modified Accrual) | Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Federal funds | \$ - | \$ - | \$ - | \$ - |
| Other state funds | - | - | - | - |
| Transfers outside the agency | - | - | - | - |
| Interest revenue | - | - | 56,397 | 56,397 |
| Total Revenues and Other Financing Sources | - | - | 56,397 | \$ 56,397 |
| Prior Year Funds Rebudgeted | - | 1,065,538 | | |
| | \$ - | \$ 1,065,538 | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ - | \$ - | - | - |
| Contractual services | - | 1,065,538 | - | 1,065,538 |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| | - | 1,065,538 | - | 1,065,538 |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| | - | - | - | - |
| Program Support: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| | - | - | - | - |
| Total Annual Budgeted Expenditures and Other Financing Uses | \$ - | \$ 1,065,538 | - | \$ 1,065,538 |
| Non-Budgeted Items: | | | | |
| Reversions | | | - | |
| Amortization | | | - | |
| Total Expenditures and Other Financing Uses | | | - | |
| Excess (Deficiency) of Revenues Over (Under) | | | | |
| Expenditures and Other Financing Sources and Uses | | | \$ 56,397 | |

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 the 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, 2016

| | CAPITAL PROJECTS FUND (SHARE 10050) | | | |
|--|-------------------------------------|-------------|-------------------------------|-------------------|
| | Budgeted Amounts | | Actual | Variance |
| | Original | Final | Amounts (Modified Accrual) | Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Other state funds | \$ - | \$ - | \$ 864,255 | \$ 864,255 |
| State general fund | - | - | - | - |
| Transfers outside the agency | - | - | - | - |
| Interest revenue | - | - | - | - |
| Total Revenues and Other Financing Sources | - | - | 864,255 | \$ 864,255 |
| Prior Year Funds Rebudgeted | - | - | | |
| | \$ - | \$ - | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ - | \$ - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| | - | - | - | - |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | 551,379 | (551,379) |
| Other | - | - | 86,983 | (86,983) |
| Transfers (in) out | - | - | (1,600,000) | 1,600,000 |
| | - | - | (961,638) | 961,638 |
| Program Support: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | 86,575 | (86,575) |
| Transfers (in) out | - | - | (109,000) | 109,000 |
| | - | - | (22,425) | 22,425 |
| Total Annual Budgeted Expenditures and Other Financing Uses | \$ - | \$ - | (984,063) | \$ 984,063 |
| Non-Budgeted Items: | | | | |
| Reversions | | | 529,275 | |
| Amortization | | | - | |
| Total Expenditures and Other Financing Uses | | | (454,788) | |
| Excess (Deficiency) of Revenues Over (Under) | | | | |
| Expenditures and Other Financing Sources and Uses | | | \$ 1,319,043 | |

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 the 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, 2016

| | STB CAPITAL OUTLAY FUND (SHARE 89200) | | | |
|--|---------------------------------------|-------------|-------------------------------|------------------------|
| | Budgeted Amounts | | Actual | Variance |
| | Original | Final | Amounts (Modified Accrual) | Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Other state funds | \$ - | \$ - | \$ - | \$ - |
| State general fund | - | - | - | - |
| Transfers outside the agency | - | - | 10,318,367 | 10,318,367 |
| Interest revenue | - | - | - | - |
| Total Revenues and Other Financing Sources | - | - | 10,318,367 | \$ 10,318,367 |
| Prior Year Funds Rebudgeted | - | - | | |
| | \$ - | \$ - | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ - | \$ - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| | - | - | - | - |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | 10,318,367 | (10,318,367) |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| | - | - | 10,318,367 | (10,318,367) |
| Program Support: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| | - | - | - | - |
| Total Annual Budgeted Expenditures and Other Financing Uses | \$ - | \$ - | 10,318,367 | \$ (10,318,367) |
| Non-Budgeted Items: | | | | |
| Reversions | | | - | |
| Amortization | | | - | |
| Total Expenditures and Other Financing Uses | | | 10,318,367 | |
| Excess (Deficiency) of Revenues Over (Under) | | | | |
| Expenditures and Other Financing Sources and Uses | | | \$ - | |

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 the 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, 2016

| | GF CAPITAL OUTLAY FUND (SHARE 93100) | | | |
|--|--------------------------------------|-------------|-------------------------------|----------------------|
| | Budgeted Amounts | | Actual | Variance |
| | Original | Final | Amounts (Modified Accrual) | Over (Under) |
| Revenues and Other Financing Sources: | | | | |
| Federal funds | \$ - | \$ - | \$ - | \$ - |
| Other state funds | - | - | - | - |
| State general fund | - | - | 27,150,000 | 27,150,000 |
| Transfers outside the agency | - | - | - | - |
| Total Revenues and Other Financing Sources | - | - | 27,150,000 | \$ 27,150,000 |
| Prior Year Funds Rebudgeted | - | - | | |
| | \$ - | \$ - | | |
| Expenditures and Other Financing Uses - current and capital outlay: | | | | |
| Programs and Infrastructure: | | | | |
| Personal services/employee benefits | \$ - | \$ - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| | - | - | - | - |
| Transportation and Highway Ops: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| | - | - | - | - |
| Program Support: | | | | |
| Personal services/employee benefits | - | - | - | - |
| Contractual services | - | - | - | - |
| Other | - | - | - | - |
| Transfers (in) out | - | - | - | - |
| | - | - | - | - |
| Total Annual Budgeted Expenditures and Other Financing Uses | \$ - | \$ - | - | \$ - |
| Non-Budgeted Items: | | | | |
| Reversions | | | - | |
| Amortization | | | - | |
| Total Expenditures and Other Financing Uses | | | - | |
| Excess (Deficiency) of Revenues Over (Under) | | | | |
| Expenditures and Other Financing Sources and Uses | | | \$ 27,150,000 | |

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 the budgets at the P-code level.

See Independent Auditors' Report

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, 2016

| | Departmental Services- Inventories Fund (SHARE 10040) | State Road Fund (SHARE 20100) | Interfund Activity | State Road Fund(s) (SHARE 10040 and 20100) |
|--|---|-------------------------------------|-----------------------|---|
| Assets: | | | | |
| Cash: | | | | |
| Unrestricted | \$ - | \$ 2,100 | | \$ 2,100 |
| Cash equivalents: | | | | |
| Investment in SGFIP Managed by NMFA | - | 92,967,286 | | 92,967,286 |
| Receivables: | | | | |
| Accounts receivable, net | - | 1,343,967 | | 1,343,967 |
| Interest receivable | - | - | | - |
| Other receivables | - | 14,162 | | 14,162 |
| Due from: | | | | |
| U.S. Department of Transportation | - | 33,642,661 | | 33,642,661 |
| Other funds | - | 8,595,432 | (4,713,556) | 3,881,876 |
| Other state agencies | - | 62,960,488 | | 62,960,488 |
| Inventories | 15,786,441 | - | | 15,786,441 |
| Prepaid expenses - other | - | 15,216 | | 15,216 |
| Prepaid expenses - NM44 warranty | - | 14,440,000 | | 14,440,000 |
| Property held for resale | - | 10,821,310 | | 10,821,310 |
| Total Assets | \$ 15,786,441 | \$ 224,802,622 | \$ (4,713,556) | \$ 235,875,507 |
| Liabilities, Deferred Inflows of Resources and Fund Balance: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 387,074 | \$ 53,996,730 | | \$ 54,383,804 |
| Due to: | | | | |
| U.S. Department of Transportation | - | - | | - |
| Other funds | 4,713,556 | - | (4,713,556) | - |
| Other state agencies | - | 498,216 | | 498,216 |
| State general fund | - | 2,358 | | 2,358 |
| Local governments | - | 988,879 | | 988,879 |
| Universities | - | 445,959 | | 445,959 |
| Unearned revenue | - | 1,295 | | 1,295 |
| Other accrued expenses | - | 5,049,019 | | 5,049,019 |
| Bank overdrafts | 6,784,094 | - | | 6,784,094 |
| Other liabilities | (2,182) | 26,507 | | 24,325 |
| Short-term notes payable (taxable line of credit) | - | - | | - |
| Total Liabilities | 11,882,542 | 61,008,963 | (4,713,556) | 68,177,949 |
| Deferred Inflows of Resources: | | | | |
| Amounts unavailable (not received within period of availability) | - | 325,939 | | 325,939 |
| Total Deferred Inflows of Resources | - | 325,939 | - | 325,939 |
| Fund Balance: | | | | |
| Non-spendable | 15,786,441 | 25,276,526 | | 41,062,967 |
| Restricted | - | 138,191,194 | | 138,191,194 |
| Committed | - | - | | - |
| Unassigned | (11,882,542) | - | | (11,882,542) |
| Total Fund Balance | 3,903,899 | 163,467,720 | - | 167,371,619 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balance | \$ 15,786,441 | \$ 224,802,622 | \$ (4,713,556) | \$ 235,875,507 |

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, 2016

| | Departmental Services- Inventories Fund (SHARE 10040) | State Road Fund (SHARE 20100) | Interfund Activity | State Road Fund(s) (SHARE 10040 and 20100) |
|--|---|-------------------------------------|-----------------------|---|
| Revenues: | | | | |
| User and fuel taxes | \$ - | \$ 386,757,337 | | \$ 386,757,337 |
| U.S. Department of Transportation | - | 378,693,823 | | 378,693,823 |
| Fees and fines | - | - | | - |
| Licenses and permits | - | 10,148,651 | | 10,148,651 |
| Charges for services | - | 2,989,564 | | 2,989,564 |
| Other revenue | 9,848 | 12,645,195 | | 12,655,043 |
| Interest earnings | - | 133,347 | | 133,347 |
| Total Revenues | 9,848 | 791,367,917 | - | 791,377,765 |
| Expenditures: | | | | |
| Current: | | | | |
| Operating costs | - | 11,248,910 | | 11,248,910 |
| Personal services | - | 100,105,206 | | 100,105,206 |
| Out-of-state travel | - | 126,233 | | 126,233 |
| Grants and services | - | 2,187,840 | | 2,187,840 |
| Travel | - | 16,638,621 | | 16,638,621 |
| Maintenance and repairs | - | 10,663,944 | | 10,663,944 |
| Supplies | - | 34,836,284 | | 34,836,284 |
| Contractual services | - | 134,585,113 | | 134,585,113 |
| Other costs | (386,554) | 4,655,090 | | 4,268,536 |
| Employee benefits | - | 53,982,119 | | 53,982,119 |
| Capital outlay | - | 284,773,898 | | 284,773,898 |
| Debt service: | | | | |
| Principal | - | 63,050,000 | | 63,050,000 |
| Interest | - | 58,870,355 | | 58,870,355 |
| Total Expenditures | (386,554) | 775,723,613 | - | 775,337,059 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 396,402 | 15,644,304 | - | 16,040,706 |
| Other Financing Sources (Uses): | | | | |
| Appropriations | - | - | | - |
| Reversions | - | 535,880 | | 535,880 |
| Transfers: severance tax bond appropriation | - | - | | - |
| Transfers: intra/inter-agency | - | 11,017,119 | | 11,017,119 |
| Total Other Financing Sources (Uses) | - | 11,552,999 | - | 11,552,999 |
| Net Changes in Fund Balance | 396,402 | 27,197,303 | - | 27,593,705 |
| Fund Balance, June 30, 2015 | 3,507,497 | 136,270,417 | | 139,777,914 |
| Fund Balance, June 30, 2016 | \$ 3,903,899 | \$ 163,467,720 | | \$ 167,371,619 |

See Independent Auditors' Report

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Supplemental Schedule of Capital Projects

As of June 30, 2016

| | Budgeted Amounts | | Prior Years Expenditures |
|---|----------------------|----------------------|-----------------------------|
| | Original | Final | |
| Expenditures for 2011 multi-year projects | | | |
| Capital outlay | \$ 350,000 | \$ 350,000 | \$ 215,814 |
| Expenditures for 2012 multi-year projects | | | |
| Capital outlay | 350,000 | 350,000 | 348,335 |
| Expenditures for 2014 multi-year projects | | | |
| Capital outlay | 50,442,894 | 50,442,894 | 49,495,666 |
| Expenditures for 2015 multi-year projects | | | |
| Capital outlay | 1,709,000 | 1,709,000 | - |
| Total Expenditures | \$ 52,851,894 | \$ 52,851,894 | \$ 50,059,815 |

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Supplemental Schedule of Capital Projects

| <u>Current Year Expenditures</u> | <u>Total Actual</u> | <u>Outstanding Encumbrances</u> | <u>Current Year Reversion</u> | <u>Remaining Balance</u> |
|--------------------------------------|-------------------------|-------------------------------------|-----------------------------------|------------------------------|
| \$ 86,983 | \$ 302,797 | \$ - | \$ 47,203 | \$ - |
| - | 348,335 | - | 1,665 | - |
| 551,379 | 50,047,045 | - | - | 395,849 |
| <u>86,575</u> | <u>86,575</u> | <u>-</u> | <u>-</u> | <u>1,622,425</u> |
| <u>\$ 724,937</u> | <u>\$ 50,784,752</u> | <u>\$ -</u> | <u>\$ 48,868</u> | <u>\$ 2,018,274</u> |

Capital Projects Funds

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 \$45,442,894 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.

Under the Laws of 2015, SB1, Chapter 3, Section 50, the Department was appropriated \$1,600,000 from the 1993 Bond Project Fund to the Department for construction of a bridge across the Puerco river on Allison road in Gallup in McKinley county. Any unexpended or unencumbered balance remaining at the end of the 2019 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 2015, SB1, Chapter 3, Section 83, the Department was appropriated \$109,000 from the State Road Fund to replace the boiler, including piping and related infrastructure, in the annex of the general office complex in Santa Fe. Any unexpended or unencumbered balance remaining at the end of the 2019 fiscal year will revert to the State Road Fund. The appropriation period is for 4 years unless re-authorized or extended by enabling legislation.

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

As of June 30, 2016

| Laws | Chapter | Bonds Appropriated | Bonds Sold | Amounts AIPP | Funds Reauthorized |
|------|---------|-----------------------|-----------------------|-------------------|-----------------------|
| 2012 | 64 | \$ 34,273,051 | \$ 34,273,051 | \$ - | \$ (337,165) |
| 2012 | 353 | - | - | - | 247,500 |
| 2013 | 3 | - | - | - | 190,477 |
| 2013 | 9 | - | - | - | 6,887,242 |
| 2013 | 92 | - | - | - | 473,963 |
| 2013 | 226 | 11,344,070 | 11,344,070 | - | (792,086) |
| 2014 | 66 | 18,500,162 | 18,500,162 | (4,250) | (105,000) |
| 2014 | 226 | 638,000 | 638,000 | - | - |
| 2015 | 3 | 40,205,376 | 40,205,376 | - | - |
| 2015 | 147 | 35,000 | 35,000 | - | 787,086 |
| 2016 | 81 | 10,857,428 | 10,253,428 | - | - |
| 2016 | 83 | - | - | - | 859,550 |
| | | <u>\$ 115,853,087</u> | <u>\$ 115,249,087</u> | <u>\$ (4,250)</u> | <u>\$ 8,211,567</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 |
|---------------------------|---|---------------------------|-----------------------------|------------------------------|--------------------------------------|
| \$ - | \$ 33,935,886 | \$ 33,380,588 | \$ 33,743,781 | \$ 555,298 | \$ 363,193 |
| (247,500) | - | - | - | - | - |
| (190,477) | - | - | - | - | - |
| - | 6,887,242 | 7,026,969 | 6,906,769 | - | - |
| (28,052) | 445,911 | 445,911 | 445,911 | - | - |
| - | 10,551,984 | 5,741,074 | 6,262,382 | 4,810,910 | 521,308 |
| - | 18,390,912 | 4,147,649 | 5,288,078 | 14,282,598 | 1,140,429 |
| - | 638,000 | 76,045 | 76,045 | 561,955 | - |
| - | 40,205,376 | 377,358 | 567,553 | 39,788,683 | 190,195 |
| - | 822,086 | - | 65,000 | 822,086 | 65,000 |
| - | 10,253,428 | - | - | 10,253,428 | - |
| - | 859,550 | - | - | 859,550 | - |
| <u>\$ (466,029)</u> | <u>\$ 122,990,375</u> | <u>\$ 51,195,594</u> | <u>\$ 53,355,519</u> | <u>\$ 71,934,508</u> | <u>\$ 2,280,125</u> |

| | |
|------------------------------------|-----------------------------|
| Balance Available (Note 4) | \$ 71,934,508 |
| Due from Board of Finance (Note 4) | <u>2,280,125</u> |
| Total | <u><u>\$ 74,214,633</u></u> |

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

As of June 30, 2016

| | Appropriation Amount | Expenditures Inception to June 30, 2016 |
|---|---------------------------------|--|
| Special Revenue Funds | | |
| Laws of 2015 Special Session 1, Chapter 3 | \$ 22,500,000 | \$ - |
| Laws of 2015 Special Session 1, Chapter 3 | 4,000,000 | - |
| Laws of 2015 Special Session 1, Chapter 3 | 650,000 | - |
| | 27,150,000 | - |
| Capital Projects Funds | | |
| Laws of 2011, Chapter 5 | 350,000 | 302,797 |
| Laws of 2012, Chapter 64 | 350,000 | 348,335 |
| Laws of 2012, HB 191 Section 27 and CBAR 2013 | 50,442,894 | 50,047,045 |
| Laws of 2015 Special Session 1, Chapter 3 | 1,709,000 | 86,575 |
| | 52,851,894 | 50,784,752 |
| Total all Fund Types | \$ 80,001,894 | \$ 50,784,752 |

** 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 |
|----------------------|-------------------------|------------------|--|----------------------|
| Balance as of | Re-appropriation | Reversion | | as of |
| June 30, 2016 | Amount | Amount | | June 30, 2016 |
| \$ - | \$ - | \$ - | | \$ 22,500,000 |
| - | - | - | | 4,000,000 |
| - | - | - | | 650,000 |
| <u>-</u> | <u>-</u> | <u>-</u> | | <u>27,150,000</u> |
| - | - | 47,203 | | - |
| - | - | 1,665 | | - |
| - | - | - | | 395,849 |
| <u>-</u> | <u>-</u> | <u>-</u> | | <u>1,622,425</u> |
| - | - | 48,868 | | 2,018,274 |
| <u>-</u> | <u>-</u> | <u>48,868</u> | | <u>2,018,274</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ 48,868</u> | | <u>\$ 29,168,274</u> |

Special Revenue Funds

Under the Laws of Special Session 2015, Chapter 3, the Department was appropriated \$22,500,000 for State Road Improvements. Any unexpended or unencumbered balance remaining at the end of the 2018 fiscal year will revert to the State General Fund. The appropriation period is for 3 years unless re-authorized or extended by enabling legislation.

Under the Laws of Special Session 2015, Chapter 3, the Department was appropriated \$4,000,000 for Santa Teresa, NM Road Improvements. Any unexpended or unencumbered balance remaining at the end of the 2018 fiscal year will revert to the State General Fund. The appropriation period is for 3 years unless re-authorized or extended by enabling legislation.

Under the Laws of Special Session 2015, Chapter 3, the Department was appropriated \$650,000 for Allison Road Bridge Replacement in Gallup, NM. Any unexpended or unencumbered balance remaining at the end of the 2018 fiscal year will revert to the State General Fund. The appropriation period is for 3 years unless re-authorized or extended by enabling legislation.

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

As of June 30, 2016

| | Budgeted Amounts | | Received Prior Year(s) | Received Current Year |
|------------------------------|------------------|----------------|---------------------------|--------------------------|
| | Original | Final | | |
| Special Revenue Funds | | | | |
| 2010A Bond Project Fund | \$ 200,000,000 | \$ 200,000,000 | \$ 200,122,403 | \$ 2,512 |
| 2014A Bond Project Fund | - | 80,000,000 | 80,013,169 | 78,470 |
| Total | \$ 200,000,000 | \$ 280,000,000 | \$ 280,135,572 | \$ 80,982 |

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

| <u>Total Revenue</u> | <u>Variance From Final Budget Over (Under)</u> | <u>Expended Prior Year(s)</u> | <u>Expended Current Year</u> | <u>Total Expenditures</u> | <u>Variance From Final Budget (Over) Under</u> |
|------------------------------|--|-----------------------------------|----------------------------------|-------------------------------|--|
| \$ 200,124,915 | \$ 124,915 | \$ 195,363,735 | \$ 4,728,668 | \$ 200,092,403 | \$ (92,403) |
| <u>80,091,639</u> | <u>91,639</u> | <u>2,953,253</u> | <u>29,629,231</u> | <u>32,582,484</u> | <u>47,417,516</u> |
| <u><u>\$ 280,216,554</u></u> | <u><u>\$ 216,554</u></u> | <u><u>\$ 198,316,988</u></u> | <u><u>\$ 34,357,899</u></u> | <u><u>\$ 232,674,887</u></u> | <u><u>\$ 47,325,113</u></u> |

See Independent Auditors' Report

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Supplemental Schedule of Individual Bank Accounts

As of June 30, 2016

| | SHARE Fund Number | Bank Balance | Book Balance | Book Total |
|----------------------------------|---|-----------------|-----------------|-----------------------|
| Cash | | | | |
| State Road Fund(s) | 10040 and 20100 | \$ 2,100 | \$ 2,100 | |
| Total Cash | | | | <u>\$ 2,100</u> |
| Investment in SGFIP | | | | |
| Traffic Safety Fund(s) | 10010, 10020, 20600, 20700, 20800, 82600 | \$ 4,994,715 | \$ 4,994,715 | |
| State Road Fund(s) | 10040 and 20100 | 92,967,286 | 92,967,286 | |
| Capital Projects Fund | 10050 | 2,018,274 | 2,018,274 | |
| 2010A Bond Project Fund | 10450 | 17,475 | 17,475 | |
| 2014A Bond Project Fund | 11970 | (6,953,579) | (6,953,579) | |
| HIF Bond Fund | 20200 | 4,500,343 | 4,500,343 | |
| Local Government Road Fund | 20300 | 20,018,697 | 20,018,697 | |
| 2004A GRIP Bond Project Fund | 20400 | 112,078 | 112,078 | |
| State Aviation Fund | 20500 | 10,080,380 | 10,080,380 | |
| State Infrastructure Bank | 89300 | 19,120,728 | 19,120,728 | |
| GF Capital Outlay Fund | 93100 | 27,150,000 | 27,150,000 | |
| Total Investment in SGFIP | | | | <u>\$ 174,026,397</u> |

See Independent Auditors' Report

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Supplemental Schedule of Individual Bank Accounts

As of June 30, 2016

| | SHARE Fund Number | Bank Balance | Book Balance | Book Total |
|--------------------------------------|-------------------|-----------------|----------------------|---------------|
| Managed by NMFA: | | | | |
| Bank of Albuquerque, trustee account | | | | |
| 2006A GRIP Bond Project Fund | 10210 | \$ 162,479 | \$ 162,479 | |
| 2006A GRIP Bond Debt Service Fund | 10220 | 2,928 | 2,928 | |
| 2006B GRIP Bond Project Fund | 10230 | 10,399 | 10,399 | |
| 2006B GRIP Bond Debt Service Fund | 10240 | 2,947 | 2,947 | |
| 2006C GRIP Bond Project Fund | 10250 | 179,365 | 179,365 | |
| 2008A GRIP Bond Debt Service Fund | 10410 | 6,160,676 | 6,160,676 | |
| 2008B GRIP Bond Debt Service Fund | 10420 | 14,847,980 | 14,847,980 | |
| 2008C GRIP Bond Debt Service Fund | 10430 | 4,375,362 | 4,375,362 | |
| 2010A Bond Project Fund | 10450 | 15,016 | 15,016 | |
| 2009A Bond Debt Service Fund | 11130 | 9,688 | 9,688 | |
| 2010A Bond Debt Service Fund | 11140 | 7,775 | 7,775 | |
| 2014A Bond Debt Service Fund | 11960 | 56,788 | 56,788 | |
| 2014A Bond Project Fund | 11970 | 56,580,527 | 56,580,527 | |
| 2010B Bond Debt Service Fund | 20450 | 13,401 | 13,401 | |
| 2012A Bond Debt Service Fund | 30850 | 42,853 | 42,853 | |
| 2014B Bond Debt Service Fund | 50110 | 149,747 | 149,747 | |
| Total Managed by NMFA | | | <u>\$ 82,617,931</u> | |

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NEW MEXICO DEPARTMENT OF TRANSPORTATION
Supplemental Schedule of Pledged State Revenues

As of June 30, 2016

Pledged State Revenues

Pledged User & Fuel Taxes:

| | |
|--------------------------------|----------------|
| Gasoline excise | \$ 110,891,564 |
| Special fuel | 97,296,390 |
| Weight/distance tax | 82,990,310 |
| Motor vehicle registrations | 80,789,299 |
| Vehicle transaction | 6,730,127 |
| Trip (mileage) tax | 5,973,053 |
| Oversize/oversight permit fees | 4,996,816 |
| Drivers license | 3,835,406 |
| Tire recycling fees | 1,943,164 |

Total Pledged User & Fuel Taxes 395,446,129

Other Pledged Revenue:

| | |
|------------------------------------|-----------|
| Leased vehicles gross receipts tax | 5,948,952 |
| PRC fees | 3,403,023 |
| Road fund interest income | 133,347 |
| HIF interest income | 12,849 |

Total Other Pledged Revenue 9,498,171

Total Pledged State Revenues \$ 404,944,300

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

As of June 30, 2016

| | <u>2006A GRIP</u> <u>(SHARE 10220)</u> | <u>2006B GRIP</u> <u>(SHARE 10240)</u> | <u>2008A GRIP</u> <u>(SHARE 10410)</u> | <u>2008B GRIP</u> <u>(SHARE 10420)</u> |
|-------------------------------------|---|---|---|---|
| Gasoline Excise Taxes | \$ 10,081,051 | \$ 10,081,051 | \$ 10,081,051 | \$ 10,081,051 |
| Special Fuel Excise Taxes | 8,845,126 | 8,845,126 | 8,845,126 | 8,845,126 |
| Weight/Distance Taxes | 7,544,574 | 7,544,574 | 7,544,574 | 7,544,574 |
| Motor Vehicle Registration Fees | 7,344,482 | 7,344,482 | 7,344,482 | 7,344,482 |
| Vehicle Transaction Fees | 611,830 | 611,830 | 611,830 | 611,830 |
| Trip (Mileage) Tax | 543,005 | 543,005 | 543,005 | 543,005 |
| Oversize/Oversight Permit Fees | 454,256 | 454,256 | 454,256 | 454,256 |
| Driver's License Fees | 348,673 | 348,673 | 348,673 | 348,673 |
| Tire Recycling Fees | 176,651 | 176,651 | 176,651 | 176,651 |
| Public Regulation Commission Fees | 309,366 | 309,366 | 309,366 | 309,366 |
| Leased Vehicle Gross Receipts Taxes | 540,814 | 540,814 | 540,814 | 540,814 |
| FHWA Revenues | 34,426,711 | 34,426,711 | 34,426,711 | 34,426,711 |
| | <u>71,226,539</u> | <u>71,226,539</u> | <u>71,226,539</u> | <u>71,226,539</u> |
| Interest on Cash Balances* | <u>13,291</u> | <u>13,291</u> | <u>13,291</u> | <u>13,291</u> |
| Total Pledged Revenues | | | | |
| Received | <u><u>\$ 71,239,830</u></u> | <u><u>\$ 71,239,830</u></u> | <u><u>\$ 71,239,830</u></u> | <u><u>\$ 71,239,830</u></u> |

| | <u>2006A GRIP</u> | <u>2006B GRIP</u> | <u>2008A GRIP</u> | <u>2008B GRIP</u> |
|-------------------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|
| Debt Service Principal Expenditures | \$ 3,535,000 | \$ 1,435,000 | \$ - | \$ - |
| Debt Service Interest Expenditures | <u>459,413</u> | <u>93,244</u> | <u>5,229,483</u> | <u>12,250,725</u> |
| Total Debt Service | <u><u>\$ 3,994,413</u></u> | <u><u>\$ 1,528,244</u></u> | <u><u>\$ 5,229,483</u></u> | <u><u>\$ 12,250,725</u></u> |
| Debt Service Coverage | 17.83 | 46.62 | 13.62 | 5.82 |

*NOTE: In addition to state road fund revenues, pledged revenues include interest earned in the HIF fund.

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

| <u>2008C GRIP</u> <u>(SHARE 10430)</u> | <u>2009A Bond</u> <u>(SHARE 11130)</u> | <u>2010A Bond</u> <u>(SHARE 11140)</u> | <u>2010B Bond</u> <u>(SHARE 20450)</u> | <u>2012A Bond</u> <u>(SHARE 30850)</u> | <u>2014A Bond</u> <u>(SHARE 11960)</u> |
|---|---|---|---|---|---|
| \$ 10,081,051 | \$ 10,081,051 | \$ 10,081,051 | \$ 10,081,052 | \$ 10,081,051 | \$ 10,081,052 |
| 8,845,126 | 8,845,126 | 8,845,126 | 8,845,127 | 8,845,127 | 8,845,127 |
| 7,544,574 | 7,544,574 | 7,544,574 | 7,544,573 | 7,544,573 | 7,544,573 |
| 7,344,482 | 7,344,482 | 7,344,482 | 7,344,482 | 7,344,481 | 7,344,481 |
| 611,830 | 611,830 | 611,830 | 611,830 | 611,829 | 611,829 |
| 543,005 | 543,005 | 543,005 | 543,005 | 543,005 | 543,004 |
| 454,256 | 454,256 | 454,256 | 454,256 | 454,256 | 454,256 |
| 348,673 | 348,673 | 348,673 | 348,673 | 348,674 | 348,674 |
| 176,651 | 176,651 | 176,651 | 176,651 | 176,652 | 176,652 |
| 309,366 | 309,366 | 309,366 | 309,366 | 309,365 | 309,365 |
| 540,814 | 540,814 | 540,814 | 540,814 | 540,814 | 540,814 |
| 34,426,711 | 34,426,711 | 34,426,711 | 34,426,711 | 34,426,711 | 34,426,712 |
| 71,226,539 | 71,226,539 | 71,226,539 | 71,226,540 | 71,226,538 | 71,226,539 |
| 13,291 | 13,291 | 13,290 | 13,290 | 13,290 | 13,290 |
| <u>\$ 71,239,830</u> | <u>\$ 71,239,830</u> | <u>\$ 71,239,829</u> | <u>\$ 71,239,830</u> | <u>\$ 71,239,828</u> | <u>\$ 71,239,829</u> |

| <u>2008C GRIP</u> | <u>2009A Bond</u> | <u>2010A Bond</u> | <u>2010B Bond</u> | <u>2012A Bond</u> | <u>2014A Bond</u> |
|---------------------|---------------------|----------------------|----------------------|----------------------|---------------------|
| \$ - | \$ 5,195,000 | \$ 12,595,000 | \$ 395,000 | \$ 45,485,000 | \$ - |
| 4,034,546 | 410,399 | 4,202,600 | 21,832,100 | 8,764,663 | 3,505,500 |
| <u>\$ 4,034,546</u> | <u>\$ 5,605,399</u> | <u>\$ 16,797,600</u> | <u>\$ 22,227,100</u> | <u>\$ 54,249,663</u> | <u>\$ 3,505,500</u> |
| 17.66 | 12.71 | 4.24 | 3.21 | 1.31 | 20.32 |

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

As of June 30, 2016

| | 2014B Bond (SHARE 50110) | TOTAL |
|-------------------------------------|-------------------------------------|----------------|
| Gasoline Excise Taxes | \$ 10,081,052 | \$ 110,891,564 |
| Special Fuel Excise Taxes | 8,845,127 | 97,296,390 |
| Weight/Distance Taxes | 7,544,573 | 82,990,310 |
| Motor Vehicle Registration Fees | 7,344,481 | 80,789,299 |
| Vehicle Transaction Fees | 611,829 | 6,730,127 |
| Trip (Mileage) Tax | 543,004 | 5,973,053 |
| Oversize/Oversight Permit Fees | 454,256 | 4,996,816 |
| Driver's License Fees | 348,674 | 3,835,406 |
| Tire Recycling Fees | 176,652 | 1,943,164 |
| Public Regulation Commission Fees | 309,365 | 3,403,023 |
| Leased Vehicle Gross Receipts Taxes | 540,812 | 5,948,952 |
| FHWA Revenues | 34,426,712 | 378,693,823 |
| | 71,226,537 | 783,491,927 |
| Interest on Cash Balances* | 13,290 | 146,196 |
| Total Pledged Revenues | | |
| Received | \$ 71,239,827 | \$ 783,638,123 |

| | 2014B Bond | TOTAL |
|-------------------------------------|-------------------|----------------|
| Debt Service Principal Expenditures | \$ - | \$ 68,640,000 |
| Debt Service Interest Expenditures | 3,970,250 | 64,752,923 |
| Total Debt Service | \$ 3,970,250 | \$ 133,392,923 |
| Debt Service Coverage | 17.94 | 5.87 |

*NOTE: In addition to state road fund revenues, pledged revenues include interest earned in the HIF fund.

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

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

| Contract Number | Contractor | Description | Expended in 2016 |
|----------------------------|---------------------|-----------------------------------|-----------------------------|
| J00813 | Santo Domingo Tribe | Design, Planning and Construction | \$ - |

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

| <u>Date of Agreement</u> | | <u>Total Estimated Amt of Project</u> | <u>Portion Applicable To Agency</u> | <u>Party Responsible for Operations</u> | <u>Audit Responsibility</u> | <u>Fiscal Agent (if applicable)</u> | <u>Agency Where Revenues/Expenditures are Reported</u> |
|--------------------------|---------------|---|---|---|---------------------------------|---|--|
| <u>Beginning</u> | <u>Ending</u> | | | | | | |
| 10/5/2015 | 12/31/2016 | \$ 100,000 | 75% | Contractor | Department | | Department |

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

| Contract Number | Contractor | Description | Expended in 2016 |
|------------------------|---|--------------------------------|-------------------------|
| M01376 | Good Shepherd Lutheran Church | Use Of Parking Lot Agreement | \$ - |
| M01378 | City of Santa Fe | Unified Planning Work Program | 49,502 |
| M01380 | NM Transit Association | Annual Conference/Training | 76,707 |
| M01382 | North Central Regional Transit District | Purchase Capital Equipment | 147,652 |
| M01383 | Incorporated County of Los Alamos | Public Transportation Services | 873,560 |
| M01384 | Zia Therapy Ctr Inc | Public Transportation Services | 324,305 |
| M01385 | Zia Therapy Ctr Inc | Purchase Capital Equipment | - |
| M01386 | Liferoots Inc | Purchase Capital Equipment | - |
| M01387 | Zuni Entrepreneurial Ent Inc | Purchase Capital Equipment | - |
| M01388 | North Central Regional Transit District | Public Transportation Services | 1,503,980 |
| M01389 | City of El Paso | Unified Planning Work Program | - |
| M01389A | El Paso Metropolitan Planning | Unified Planning Work Program | 1,556 |
| M01390 | ARCA | Purchase Capital Equipment | 36,662 |
| M01391 | Coyote Canyon Rehab Ctr Inc | Purchase Capital Equipment | - |
| M01392 | Rio Metro Regional Transit District | Purchase Capital Equipment | - |
| M01393 | Rio Metro Regional Transit District | Public Transportation Services | 343,262 |
| M01394 | Village of Milan | Public Transportation Services | 126,442 |
| M01395 | City of Las Cruces | Unified Planning Work Program | 33,437 |
| M01396 | Town of Red River | Public Transportation Services | 42,491 |
| M01397 | Tresco Inc. | Purchase Capital Equipment | - |
| M01398 | Adelante Development Center, Inc | Purchase Capital Equipment | - |
| M01399 | Dream Tree Project | Purchase Capital Equipment | - |
| M01400 | City of Santa Fe | Purchase Capital Equipment | - |
| M01401 | City of Socorro | Public Transportation Services | 67,563 |
| M01403 | City of Las Vegas | Public Transportation Services | 97,024 |
| M01405 | City of Portales | Public Transportation Services | 61,318 |
| M01406 | Golden Spread Rural Frontier | Public Transportation Services | 80,274 |
| M01407 | The Community Pantry | Public Transportation Services | 136,810 |
| M01408 | Pueblo of Laguna | Public Transportation Services | 90,492 |
| M01409 | City of Roswell | Public Transportation Services | 472,504 |
| M01410 | City of Clovis | Public Transportation Services | 278,803 |
| M01411 | Mandys Special Farm | Purchase Capital Equipment | - |
| M01412 | City of Hobbs | Public Transportation Services | 241,757 |
| M01413 | Presbyterian Medical Services | Purchase Capital Equipment | - |
| M01414 | USGS National Center MS270 | Investigation/Flood Analysis | - |

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 | | | | | | |
| 7/1/2015 | 6/30/2017 | \$ 21,500 | 100% | Contractor | Department | Department | |
| 7/7/2015 | 9/30/2018 | 102,671 | 0% | Contractor | Department | Department | |
| 7/16/2015 | 6/30/2016 | 108,300 | 100% | Contractor | Department | Department | |
| 7/14/2015 | 9/30/2016 | 208,800 | 80% | Contractor | Department | Department | |
| 7/16/2015 | 9/30/2016 | 1,751,494 | 80% | Contractor | Department | Department | |
| 7/20/2015 | 9/30/2016 | 705,435 | 80% | Contractor | Department | Department | |
| 7/21/2015 | 9/30/2016 | 48,000 | 80% | Contractor | Department | Department | |
| 7/20/2015 | 9/30/2016 | 103,231 | 80% | Contractor | Department | Department | |
| 7/20/2015 | 9/30/2016 | 88,000 | 80% | Contractor | Department | Department | |
| 7/15/2015 | 9/30/2016 | 2,115,741 | 80% | Contractor | Department | Department | |
| 7/24/2015 | 9/30/2018 | 15,237 | 100% | Contractor | Department | Department | |
| 7/24/2015 | 9/30/2018 | 15,237 | 100% | Contractor | Department | Department | |
| 7/22/2015 | 9/30/2016 | 154,842 | 80% | Contractor | Department | Department | |
| 7/22/2015 | 9/30/2016 | 81,440 | 80% | Contractor | Department | Department | |
| 7/22/2015 | 9/30/2016 | 272,000 | 80% | Contractor | Department | Department | |
| 7/23/2015 | 9/30/2016 | 749,500 | 80% | Contractor | Department | Department | |
| 7/22/2015 | 9/30/2016 | 212,783 | 80% | Contractor | Department | Department | |
| 7/30/2015 | 9/30/2018 | 131,079 | 100% | Contractor | Department | Department | |
| 7/23/2015 | 9/30/2016 | 96,785 | 80% | Contractor | Department | Department | |
| 7/27/2015 | 9/30/2016 | 240,000 | 80% | Contractor | Department | Department | |
| 7/20/2015 | 9/30/2016 | 138,957 | 80% | Contractor | Department | Department | |
| 7/24/2015 | 6/30/2016 | 28,776 | 80% | Contractor | Department | Department | |
| 7/27/2015 | 9/30/2016 | 154,267 | 80% | Contractor | Department | Department | |
| 7/30/2015 | 9/30/2016 | 160,514 | 80% | Contractor | Department | Department | |
| 7/15/2015 | 9/30/2016 | 197,887 | 80% | Contractor | Department | Department | |
| 7/28/2015 | 9/30/2016 | 142,230 | 80% | Contractor | Department | Department | |
| 7/20/2015 | 9/30/2016 | 174,396 | 80% | Contractor | Department | Department | |
| 7/21/2015 | 9/30/2016 | 420,656 | 80% | Contractor | Department | Department | |
| 7/28/2015 | 9/30/2016 | 129,381 | 80% | Contractor | Department | Department | |
| 8/3/2015 | 9/30/2016 | 1,070,358 | 80% | Contractor | Department | Department | |
| 7/28/2015 | 9/30/2016 | 560,946 | 80% | Contractor | Department | Department | |
| 7/21/2015 | 9/30/2016 | 88,464 | 80% | Contractor | Department | Department | |
| 8/3/2015 | 9/30/2016 | 460,469 | 80% | Contractor | Department | Department | |
| 8/10/2015 | 9/30/2016 | 184,062 | 80% | Contractor | Department | Department | |
| 10/1/2015 | 9/30/2018 | 597,162 | 50% | Contractor | Department | Department | |

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

| Contract Number | Contractor | Description | Expended in 2016 |
|----------------------------|---|-------------------------------------|-----------------------------|
| M01415 | City of Carlsbad | Public Transportation Services | \$ 306,558 |
| M01416 | City of Ruidoso Downs | Public Transportation Services | 43,493 |
| M01417 | Progressive Residential Service of NM | Purchase Capital Equipment | - |
| M01420 | County of Grant | Public Transportation Services | 254,510 |
| M01421 | Cornucopia Adult Day Services | Purchase Capital Equipment | - |
| M01422 | The Navajo Nation | Public Transportation Services | 198,918 |
| M01423 | The University of New Mexico | State & Regional Forecasting | 13,393 |
| M01426 | Rio Metro Regional Transit District | Public Transportation Services | - |
| M01427 | Mid-Region Council of Governments | Unified Planning Work Program | 126,957 |
| M01429 | City of Las Cruces | Public Transportation Services | - |
| M01430 | State Personnel office | Study & Implementation | - |
| M01431 | City of Farmington | Unified Planning Work Program | 63,527 |
| M01432 | City of Farmington | Public Transportation Services | - |
| M01433 | Mid-Region Council of Governments | Digital Orthophotography Svcs | - |
| M01434 | San Miguel County | Maintain State Roads/Highways | 2,244 |
| M01435 | San Juan County | Plan Design Construct | - |
| M01436 | City of Santa Fe | Transit & Mobility Study | - |
| M01437 | Incorporated County of Los Alamos | Public Transportation Services | - |
| M01438 | North Central Regional Transit District | Study Merger Santa Fe Transit | - |
| M01439 | City of Santa Fe | Replace/Rehab Bus-Related Equipment | - |
| M01440 | NM Transit Association | Annual Conference / Road-E-O | - |
| M01441 | Town of Taos | 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 |
| 8/21/2015 | 9/30/2016 | \$ 417,620 | 80% | Contractor | Department | | Department |
| 8/10/2015 | 9/30/2016 | 84,860 | 80% | Contractor | Department | | Department |
| 7/31/2015 | 9/30/2016 | 56,000 | 80% | Contractor | Department | | Department |
| 8/25/2015 | 9/30/2016 | 772,796 | 80% | Contractor | Department | | Department |
| 7/20/2015 | 9/30/2016 | 82,400 | 80% | Contractor | Department | | Department |
| 9/11/2015 | 9/30/2016 | 462,094 | 80% | Contractor | Department | | Department |
| 7/4/2015 | 6/30/2016 | 13,393 | 15% | Contractor | Department | | Department |
| 10/8/2015 | 9/30/2016 | 69,956 | 80% | Contractor | Department | | Department |
| 10/13/2015 | 9/30/2018 | 317,912 | 80% | Contractor | Department | | Department |
| 10/16/2015 | 9/30/2016 | 186,695 | 80% | Contractor | Department | | Department |
| 10/19/2015 | 10/19/2016 | 49,829 | 100% | Contractor | Department | | Department |
| 11/6/2015 | 9/30/2018 | 140,690 | 0% | Contractor | Department | | Department |
| 11/20/2015 | 9/30/2016 | 66,509 | 80% | Contractor | Department | | Department |
| 12/22/2015 | 12/22/2016 | 50,000 | 100% | Contractor | Department | | Department |
| 1/7/2016 | 12/31/2019 | 80,000 | 0% | Contractor | Department | | Department |
| 3/2/2016 | 6/30/2018 | 110,000 | 100% | Contractor | Department | | Department |
| 4/1/2016 | 3/31/2017 | 24,000 | 80% | Contractor | Department | | Department |
| 4/26/2016 | 9/30/2016 | 45,132 | 80% | Contractor | Department | | Department |
| 5/16/2016 | 6/30/2017 | 120,000 | 80% | Contractor | Department | | Department |
| 5/16/2016 | 3/31/2017 | 155,667 | 80% | Contractor | Department | | Department |
| 6/13/2016 | 6/30/2017 | 108,300 | 100% | Contractor | Department | | Department |
| 6/13/2016 | 9/30/2016 | 98,000 | 80% | Contractor | Department | | Department |

**NEW MEXICO DEPARTMENT OF TRANSPORTATION
Supplemental Schedule of Vendor Information**

| RFP # / RFB # | Type of Procurement | Awarded Vendor | \$ Amount of Awarded Contract | \$ Amount of Amended Contract |
|--------------------------|--------------------------------|------------------------------------|--|--|
| 16-01 | RFP | The Louis Berger Group, Inc. | \$ 1,320,738 | \$ - |
| 16-02 | RFP | WH Pacific | 798,923 | - |
| 16-03 | RFP | Smith Engineering Inc. | 871,110 | - |
| 16-04 | RFP | Radian Engineering LLC | 740,809 | - |
| 16-05 | RFP | OCCAM/EC Consulting Engineers Inc. | 697,985 | - |
| 16-07 | RFP | Smith Engineering Company | 458,235 | - |
| 16-08 | RFP | Smith Engineering Company | 1,076,345 | - |

**NEW MEXICO DEPARTMENT OF TRANSPORTATION
Supplemental Schedule of Vendor Information**

| Name and Physical Address per the Procurement Documentation, of ALL Vendor(s) that Responded | In-State | Was the Vendor | Brief Description of the Scope of Work |
|--|------------------------------|--|---|
| | Out-of-State Vendor (Y or N) | In-State and Chose Veteran's Preference (Y or N) | |
| Louis Berger Group, 2019 Galisteo St. Unit M-1 Santa Fe NM 87505 | Y | N | NM 96, Reconstruction/Shoulder Widening (STATE) Phase IC, ID, II & III Services - CN 5100850 |
| Wilson & Company, 4900 Lang Ave. NE Albuquerque NM 87109 | Y | N | |
| Huitt- Zollars, 333 Rio Rancho Dr. NE Ste101 Rio Rancho NM 87124 | Y | N | |
| Bohannan Houston Inc, Ctyd I. 7500 Jefferson St. NE Alb NM 87109-4331 | Y | N | |
| Advisory Inspection & Oper Co. Inc, 460 St. Michael's Dr Ste. 801 Santa Fe NM 87505 | Y | Y | |
| Souder Miller & Assocs, 3451 Candelaria Rd NE, Ste D, Alb NM 87107 | Y | N | |
| HDR Engineering Inc, 2155 Louisiana Blvd NE Ste. 9500 Alb, NM 87110-1000 | Y | N | |
| Engineers Inc., 3400 Highway 180 E Ste, A Silver City NM 88061 | Y | N | |
| WH Pacific, 6501 Americas Parkway NE Ste. 400 Alb NM 87110 | Y | N | NM 68 Rehabilitation, Reconstruction and Drainage Improvements (Phase IC, ID, II, & III) (STATE) CN 5100460 |
| CH2Mill, 3721 Rutledge Road NE Ste. B-1 Albuquerque NM 87109 | Y | N | |
| Wilson & Company, 4900 Lang Ave. NE Albuquerque NM 87109 | Y | N | |
| Smith Engineering, 201 N Church St, Ste 310 Las Cruces NM 88001 | Y | N | NM 273, Roadway Improvements Services to Sunland Park, NM (MP 0.80 to 3.10) (STATE) - CN E100160 |
| Huitt- Zollars, 333 Rio Rancho Dr. NE Ste. 101 Rio Rancho NM 87124 | Y | N | |
| Molzen Corbin, 2701 Miles Rd SE Albuquerque 87106 | Y | N | |
| Radian Engineering, LLC, 509 Camino de los Marquez, Ste 2, Santa Fe, NM 87505 | Y | N | US 54 MP 146 to MP 163 Phase II (STATE) CN - 2102110 |
| Bohannan Houston Inc, Ctyd I. 7500 Jefferson St. NE Alb NM 87109-4331 | Y | N | |
| Santa Fe Engineering Cnslt LLC, 1599 S. St. Francis Dr, Ste B, Santa Fe, NM 87505 | Y | N | |
| Parametrix Inc., 8801 Jefferson NE Building B, Alb, NM 87113 | Y | N | |
| OCCAM/EC Consulting Engineers Inc., 200 East 4th St, Ste 100, Roswell NM 87643 | Y | N | US 54 MP 146 to MP 163 Phase II (STATE) CN - 2102110 |
| Bohannan Houston Inc, Ctyd I. 7500 Jefferson St. NE Alb NM 87109-4331 | Y | N | |
| Huitt- Zollars, 333 Rio Rancho Dr. NE Ste. 101 Rio Rancho NM 87124 | Y | N | |
| Souder Miller & Assocs, 3451 Candelaria Rd NE Ste D Alb NM 87107 | Y | N | |
| Smith Engineering, 201 N Church St, Ste 310 Las Cruces NM 88001 | Y | N/A | US 70, MP 162-170 (FEDERAL) CN & PN LC00240 |
| OCCAM/EC Consulting Engineers Inc., 200 East 4th St, Ste 100, Roswell NM 87643 | Y | N/A | |
| Smith Engineering, 201 N Church St, Ste. 310 Las Cruces NM 88001 | Y | N | US 70, Three Crosses to I-25, Phase A, B, C & D (STATE) CN & PN LC00270 |
| Wilson & Company, 4900 Lang Ave. NE Albuquerque NM 87109 | Y | N | |
| Zia Engineering & Environ Cnslt LLC, 755 S. Telshor Blvd., Ste F-201, La Jolla NM 87643 | Y | N | |

**NEW MEXICO DEPARTMENT OF TRANSPORTATION
Supplemental Schedule of Vendor Information**

| RFP # / RFB # | Type of Procurement | Awarded Vendor | \$ Amount of Awarded Contract | \$ Amount of Amended Contract |
|------------------|------------------------|----------------------------------|----------------------------------|----------------------------------|
| 16-09 | RFP | Bohannan Huston Inc | 492,939 | - |
| 16-10 | RFP | Parson Brinckerhoff | 779,831 | - |
| 16-11 | RFP | Robert B. Olcott | 520,000 | - |
| 16-13 | RFP | HDR Inc. | 415,073 | - |
| 16-14 | RFP | WH Pacific | 634,486 | - |
| 16-16 | RFP | Del Curto Appraisal Services | 535,313 | - |
| | | Brooks Pearsall Zantow LLC | 535,938 | - |
| | | Shipman/Foley & Associates | 535,938 | - |
| | | Godfrey Appraisal Services, Inc. | 535,938 | - |
| | | Hoover Appraisal Company | 525,625 | - |
| | | Commercial Appraisal, Inc. | 535,938 | - |
| | | Denton Colvin & Associates | 543,125 | - |
| | | Gipson Investments, Inc. | 536,875 | - |
| | | Pinnacle West Investments | 535,938 | - |
| | | Kenneally Appraisal Services | 540,000 | - |
| 16-17 | RFP | Commercial Appraisal, Inc. | 267,969 | - |
| | | Del Curto Appraisal Services | 268,656 | - |
| | | Brooks Pearsall Zantow LLC | 267,969 | - |
| | | Pinnacle West Investments | 267,969 | - |
| | | Godfrey Appraisal Services, Inc. | 267,969 | - |
| | | Hoover Appraisal Company | 250,000 | - |
| | | Kenneally Appraisal Services | 540,000 | - |

See Independent Auditors' Report

**NEW MEXICO DEPARTMENT OF TRANSPORTATION
Supplemental Schedule of Vendor Information**

| Name and Physical Address per the Procurement Documentation, of ALL Vendor(s) that Responded | In-State | Was the Vendor | Brief Description of the Scope of Work |
|--|------------------------------|--|---|
| | Out-of-State Vendor (Y or N) | In-State and Chose Veteran's Preference (Y or N) | |
| Bohannan Houston Inc, Ctyd I. 7500 Jefferson St. NE Alb NM 87109-4335 | Y | N | NM 404, NM 213 to NM 460 Capacity & Safety Study Phase A, B, C & D (STATE) CN & PN E100200 |
| Molzen Corbin, 1155 Commerce Dr, Ste F, Las Cruces, NM 88011 | Y | N | |
| Engineers Inc., 3400 Highway 180 E Ste A Silver City NM 88061 | Y | N | |
| CH2M Hill Inc., 3721 Rutledge Road NE, Ste B-1, Alb, NM 87109 | Y | N | |
| Parsons Brinckerhoff Inc, 6100 Uptown Blvd, Ste700, Alb NM 87110 | Y | N/A | NM 6, Bridge Replacement (Rio Grande Bridge #7453) Phase A, B, C & Final Design (FEDERAL) CN & PN A300423 |
| Huitt- Zollars, 333 Rio Rancho Dr. NE Ste. 101 Rio Rancho NM 87124 | Y | N/A | |
| T.Y. Lin International, 500 Fourth St NW, Ste 403, Alb, NM 87102 | Y | N/A | |
| Parametrix Inc., 8801 Jefferson NE Building B, Alb, NM 87113 | Y | N/A | |
| Robert B. Olcott, PO Box 4445, Santa Fe, NM 87502 | Y | N | Economic and Legislative Analysis and Support |
| UNM, 1700 Lomas NE, Suite 2200, MSC01-1247, Alb, NM 87131 | y | N | |
| HDR Engineering Inc., 2155 Louisiana Blvd NE Ste. 9500 Alb, NM 87110- | y | y | |
| HDR Engineering Inc., 2155 Louisiana Blvd NE Ste. 9500 Alb, NM 87110- | Y | N/A | NM 6, Bridge Replacement MP 0-1 (Suwannee Bridge) Phase A, B, C, D & Final (FEDERAL) CN & PN 6101000 |
| T.Y. Lin International, 500 Fourth Street NW, Ste 403, Alb, NM 87102 | Y | N/A | |
| WH Pacific, 6501 Americas Parkway NE Ste. 400 Alb NM 87110 | Y | N/A | US 82 & NM 18 Pavement Rehab Phase A, B, C & D (FEDERAL) CN & PN 2101380 |
| Souder Miller & Assocs, 3451 Candelaria Rd NE, Ste D Alb NM 87107 | Y | N/A | |
| Smith Engineering, 201 N Church St, Ste. 310 Las Cruces NM 88001 | Y | N/A | |
| Del Curto Appraisal Services, 1210 Lopezville Rd, Socorro, NM 87801 | Y | N | Real Property Valuation Services |
| Brooks Pearsall Zantow LLC, 7000 Prospect PI, Ste B, Alb, NM 87110 | Y | N | |
| Shipman/Foley & Assocs Inc, 2420 Midtown PI NE Ste A, Alb, NM 87107 | Y | N | |
| Godfrey Appraisal Svcs Inc, 5600 McLeod Rd NE, Ste C, Alb, NM 87109 | Y | N | |
| Hoover Appraisal Co., 8001-E N. Mesa St, #252, El Paso, TX 79932 | N | N | |
| Commercial Appraisal, Inc., 7000 Prospect PI NE, Ste D, Alb, NM 87110 | Y | N | |
| Denton Colvin & Assocs, 1221 Mecham Dr, Ste 3, Ruidoso, NM 88345 | Y | N | |
| Gipson Investments, Inc., PO Box 2458, Farmington, NM 87499 | Y | N | |
| Pinnacle West Investments, PO Box 92121, Alb, NM 87199 | Y | N | |
| Kenneally Appraisal Services, PO Box 4099, Silver City, NM 88062 | Y | N | |
| Commercial Appraisal, Inc., 7000 Prospect PI NE, Ste D, Alb, NM 87110 | Y | N | Right of Way Appraisal Review and Feasibility Services |
| Del Curto Appraisal Services, 1210 Lopezville Rd, Socorro, NM 87801 | Y | N | |
| Brooks Pearsall Zantow LLC, 7000 Prospect PI, Ste B Alb, NM 87110 | Y | N | |
| Pinnacle West Investments, PO Box 92121, Alb, NM 87199 | Y | N | |
| Godfrey Appraisal Svcs Inc, 5600 McLeod Rd NE, Ste C, Alb, NM 87109 | Y | N | |
| Hoover Appraisal Co., 8001-E N. Mesa St, #252, El Paso, TX 79932 | N | N | |
| Kenneally Appraisal Services, PO Box 4099, Silver City, NM 88062 | Y | N | |

See Independent Auditors' Report

**NEW MEXICO DEPARTMENT OF TRANSPORTATION
Supplemental Schedule of Vendor Information**

| RFP # / RFB # | Type of Procurement | Awarded Vendor | \$ Amount of Awarded Contract | \$ Amount of Amended Contract |
|------------------|------------------------|--|----------------------------------|----------------------------------|
| 16-18 | RFP | Molzen Corbin | 1,432,067 | - |
| 16-20 | RFP | URS Corporation | 799,988 | - |
| 16-21 | RFP | Precision Compliance | 420,500 | - |
| 16-22 | RFP | Precision Compliance | 525,625 | - |
| 16-23 | RFP | CH2M Hill Inc. | 500,000 | - |
| 16-28 | RFP | AMEC Foster Wheeler Environ. & Infrastr., Inc. | 374,624 | - |
| 16-29 | RFP | MADD | 857,500 | - |
| 16-30 | RFP | Innovative Reasoning LLC | 382,500 | - |
| 16-31 | RFP | Molzen-Corbin & Associates, Inc. | 2,451,096 | - |
| 16-33 | RFP | Bohannon Huston Inc. | 2,000,000 | - |
| | | Parsons Brinkerhoff | 2,000,000 | - |
| | | HDR Engineering | 2,000,000 | - |
| 16-34 | RFP | Santa Fe Public Schools | 118,483 | - |
| | | Taos Health Systems | 100,000 | - |
| 16-36 | RFP | Kutok Rock | 800,000 | - |

**NEW MEXICO DEPARTMENT OF TRANSPORTATION
Supplemental Schedule of Vendor Information**

| Name and Physical Address per the Procurement Documentation, of ALL Vendor(s) that Responded | In-State Out-of-State Vendor (Y or N) | Was the Vendor In-State and Chose Veteran's Preference (Y or N) | Brief Description of the Scope of Work |
|---|--|--|---|
| Molzen Corbin, 2701 Miles Rd SE Albuquerque 87106 | Y | N/A | I-25/ University Ave, Phase 1C follow up & 1D (FEDERAL) CN & PN LC00250 |
| Souder Miller & Assocs, 3451 Candelaria Road NE, Ste D, Alb NM 87107 | Y | N/A | |
| URS Corporation, 6501 Americas Pkwy NE, Ste 900, Alb, NM 87110 | Y | N/A | I-25, Corridor North Study from Big I to Tramway Blvd Study (FEDERAL) CN & PN A301101 |
| HDR Engineering Inc., 2155 Louisiana Blvd NE Ste. 9500 Alb, NM 87110- | Y | N/A | |
| Wilson & Company, 4900 Lang Ave. NE Albuquerque NM 87109 | Y | N/A | |
| WH Pacific, 6501 Americas Parkway NE Ste. 400 Alb NM 87110 | Y | N/A | |
| Huitt- Zollars, 333 Rio Rancho Dr. NE Ste 101 Rio Rancho NM 87124 | Y | N/A | |
| Precision Compliance, 1220 Ravenwood Road, Boulder, CO 80303 | N | N | Transit Drug and Alcohol Compl. Oversight (FED) |
| Precision Compliance, 1220 Ravenwood Road, Boulder, CO 80303 | N | N | Transit Training and Technical Assistance (FEDERAL) |
| CH2M Hill Inc., 3721 Rutledge Road NE, Ste B-1, Alb, NM 87109 | Y | N/A | NM 423, PDN PCCP Intersection (FEDERAL) CN & PN A301020 |
| Lee Engineering, 8220 San Pedro Drive NE, Ste 150, Alb, NM 87113 | Y | N/A | |
| AMEC Foster Wheeler Environ. & Infrac, Inc., 8519 Jefferson NE, Alb, NM | Y | N | NM 423, PDN PCCP Intersection (FEDERAL) CN & PN A301020 |
| M.A.D.D., 3411 Candelaria Rd NE, Ste B, Alb, NM 87107 | Y | N | Court Monitoring Services for the NMDOT |
| DWI Resource Center Inc., PO Box 30514, Albuquerque, NM 87109 | Y | N | |
| Innovative Reasoning LLC, 12 Alicia Road, Cedar Crest, NM 87008 | Y | N | Drug Recognition Expert Program |
| Molzen-Corbin & Associates, Inc., 2701 Miles Rd SE, Alb, NM 87106 | Y | N/A | US 285 is MP 0 to 22 CN & PN 2102160 (FEDERAL) |
| Bohannon Houston Inc, Ctyd I. 7500 Jefferson St. NE Alb NM 87109-4335 | Y | N/A | |
| Parsons Brinckerhoff Inc., 6100 Uptown Blvd, Ste 700, Alb, NM 87110 | Y | N/A | |
| Wilson & Company, 4900 Lang Ave. NE Alb NM 87109 | Y | N/A | |
| HDR Engineering Inc., 2155 Louisiana Blvd NE Ste. 9500 Alb, NM 87110- | Y | N/A | |
| Parametrix Inc., 8801 Jefferson NE Building B, Alb, NM 87113 | Y | N/A | |
| Engineers Inc., 3400 Hwy 180 East, Ste A, Silver City, NM 88061 | Y | N/A | |
| Bohannon Houston Inc, Ctyd I. 7500 Jefferson St. NE Alb NM 87109-4335 | Y | N/A | Construction Management/Augmentation Services for the NMDOT |
| Parsons Brinckerhoff Inc, 6100 Uptown Blvd, Ste 700, Alb, NM 87110 | Y | N/A | |
| HDR Engineering Inc., 2155 Louisiana Blvd NE Ste. 9500 Alb, NM 87110- | Y | N/A | |
| Santa Fe Public Schools, 610 Alta Vista Street, Santa Fe, NM 87505 | Y | N/A | Underage Drinking Prevention |
| Taos Health Systems, 1397 Weimer Road, Taos, NM 87571 | Y | N/A | |
| Kutok Rock, 1801 California Street, Suite 3000, Denver, CO 80202 | N | N | Bond Counsel |

See Independent Auditors' Report

**NEW MEXICO DEPARTMENT OF TRANSPORTATION
Supplemental Schedule of Vendor Information**

| RFP # / RFB # | Type of Procurement | Awarded Vendor | \$ Amount of Awarded Contract | \$ Amount of Amended Contract |
|------------------|------------------------|--|----------------------------------|----------------------------------|
| 16-37 | RFP | Public Financial Management Inc. | 800,000 | - |
| 16-38 | RFP | SWTC | 1,400,000 | - |
| | | Safer New Mexico Now | 800,000 | - |
| 16-39 | RFP | Stream Dynamics, Inc. | 349,916 | - |
| | | Gordon Tooley DBA Tooley's Trees and Keyline | 114,250 | - |
| 16-40 | RFP | High Street Consulting | 475,000 | - |
| I 50-805-15-130 | IFB | Advanced Environmental Solutions, Inc | 1,730,294 | 21,228 |
| I 50-805-15-131 | IFB | Jim Sena Construction Company Inc. | 672,335 | - |
| CN 1101010 | July ITB | Mountain States Constructor, Inc. | 4,442,375 | - |
| CN 6101100R | July ITB | AUI, Inc. | 3,347,529 | - |
| CN 9900361 | July ITB | J-H Supply, Inc. | 2,712,094 | - |
| CN 9900362 | July ITB | MWI, Inc. | 304,181 | - |

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|---|--|--|---|
| The PFM Group, 50 California St, Ste 2300 San Francisco, CA 94111 | N | N | Financial Advisor |
| Southwest Training Cnslt, LLC, 13 Calle Alfredo, Algodones, NM 87001 | Y | N | SW Law Enforcement Training |
| Safer New Mexico Now, 9400 Holly Ave NE, Ste 201, Alb, NM 87122 | Y | N | |
| LIT Services, PO Box 609, Bernalillo, NM 87004 | Y | N | |
| OSS Academy, 19018 Candleview Drive, Spring, TX 77388 | N | N | |
| Stream Dynamics, Inc., PO Box 785, Silver City, NM 88062 | Y | N/A | Dust Mitigation |
| Gordon Tooley DBA Tooley's Trees and Keyline, PO Box 392, Truchas, NI | Y | N/A | |
| Caldon Seeding & Reclamation LLC, 170 Hickory, Unit B, Sanford, CO 81 | N | N/A | |
| Sites Southwest, 121 Tijeras NE, Suite 3100, Alb, NM 87102 | Y | N/A | |
| High Street Consulting Group, 650 Emerson St, Denver, CO 80218 | N | N/A | Implementation of NMDOT "New Mexico 2040 Plan and Additional Planning Services" |
| Cambridge Systematics, 555 12th St, Ste 1600, Oakland, CA 94607 | N | N/A | |
| Bohannan Houston Inc, Ctyd I. 7500 Jefferson St. NE Alb NM 87109-4335 | Y | N/A | |
| Advanced Environmental Soln, Inc, 2318 Roland Dr Belen, NM 87002 | Y | N/A | Groundwater Remediation NMDOT District-4 Patrol Yard and Service Center |
| Jim Sena Construction Co Inc., 6811 Huseman PL SW Alb, NM 87121 | Y | N/A | E89 Grade Runway 9-27 Safety Area Conchas Lake Airport |
| Meridian Contracting, Inc. 3223 Los Arboles Ave. NE Alb, NM 87107 | Y | N/A | |
| AUI, Inc. P.O. Box 9825 Albuquerque, NM 87119 | Y | N/A | |
| Mtn States Constructor, Inc. , 3601 Pan Amer Fwy # 111 Alb, NM 87107 | Y | N | US 180 Road Rehabilitation Grant County |
| FNF Construction, Inc., 115 S. 48th Street Tempe, AZ 85281 | N | N | |
| Fisher Sand & Gravel -NM, Inc., PO Box 2340 Placitas, NM 87043 | Y | N | |
| James Hamilton Construction Co, PO Box 1287 Silver City, NM 88062 | Y | N | |
| AUI, Inc., PO Box 9825 Albuquerque, NM 87119 | Y | N | I-40 Replace existing CMP Arh w/CBC Cibola County |
| FNF Construction, Inc., 115 S. 48th Street Tempe, AZ 85281 | N | N | |
| J-H Supply, Inc., 2132 Osuna Road Suite A Albuquerque, NM 87113 | Y | N | I-25 Safety Post & Cable Barrier installation Sierra County |
| Kimo Construction, Inc., 3681 HWY47 Bosque Farms, NM 87068 | Y | N | |
| Villalobos Construction Co., Inc., PO Box 6188 Las Cruces, NM 88006 | Y | N | |
| San Bar Construction Corp., 9101 Broadway SE Alb, NM 87105 | Y | N | |
| Nationwide Construction Group, 5361 Gratiot Ave Chesterfield, MI 48051 | N | N | |
| Apache Const Co Inc, dba Valley Fence Co, 1932 Coors SW Alb, NM 871: | Y | N | |
| MWI, Inc., P.O. Box 30670 Albuquerque, NM 87190 | Y | N | I-10Safety Lighting, Traffic Control Dona Ana County |
| RT Electric, Inc., 480 N. 17th Street Las Cruces, NM 88005 | Y | N | |
| Bixby Electric, Inc., 521 Wheeler SE Albuquerque, NM 87102 | Y | N | |

**NEW MEXICO DEPARTMENT OF TRANSPORTATION
Supplemental Schedule of Vendor Information**

| RFP # / RFB # | Type of Procurement | Awarded Vendor | \$ Amount of Awarded Contract | \$ Amount of Amended Contract |
|------------------|------------------------|-----------------------------------|----------------------------------|----------------------------------|
| CN 9900368 | July ITB | Fisher Sand & Gravel -NM, Inc. | 130,003 | 7,448 |
| CN 2101820 | July ITB | AUI, Inc. | 488,116 | - |
| CN LC00150 | August ITB | Mountain States Constructor, Inc. | 6,656,412 | - |
| CN 2100900 | August ITB | Mountain States Constructor, Inc. | 5,048,920 | - |
| CN 4101020 | August ITB | G. Sandoval Construction Inc. | 3,806,943 | - |
| CN 4100580 | August ITB | El Terrero Construction, LLC | 3,396,605 | - |
| CN 1101240 | August ITB | Kimo Construction, Inc. | 648,568 | - |
| CN 6100223 | August ITB | Fisher Sand & Gravel -NM, Inc. | 7,615,745 | - |

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|---|--|--|--|
| Fisher Sand & Gravel -NM, Inc. , PO Box 2340 Placitas, NM 87043 | Y | N | NM 134Permanent Signing, Traffic Control San Juan County |
| San Bar Construction Corp., 9101 Broadway SE Alb, NM 87105 | Y | N | |
| JH Supply, Inc., 2132 Osuna Road NE Albuquerque, NM 87113 | Y | N | |
| Highway Supply LLC, 6221 Chappell Rd. NE Alb, NM 87113 | Y | N | |
| AUI, Inc., PO Box 9825 Albuquerque, NM 87119 | Y | N | NM 395 Bridge Rehabilitation Lincoln County |
| Mtn States Constructor, Inc., 3601 Pan Amer Fwy # 111 Alb, NM 87107 | Y | N | I-10 Roadway Rehabilitation Dona Ana County |
| Man's Construction Co., 1001 E. University Ave. Las Cruces, NM 88001 | Y | N | |
| Fisher Sand & Gravel -NM, Inc., PO Box 2340 Placitas, NM 87043 | Y | N | |
| FNF Construction, Inc., 115 S. 48th Street Tempe, AZ 85281 | N | N | |
| James Hamilton Construction Co, PO Box 1287 Silver City, NM 88062 | Y | N | |
| Mtn. States Constructor, Inc., 3601 Pan Amer Fwy # 111 Alb, NM 87107 | Y | N | US 54 Roadway Rehabilitation Otero County |
| Fisher Sand & Gravel -NM, Inc., PO Box 2340 Placitas, NM 87043 | Y | N | |
| FNF Construction, Inc., 115 S. 48th Street Tempe, AZ 85281 | N | N | |
| James Hamilton Construction Co, PO Box 1287 Silver City, NM 88062 | Y | N | |
| Mesa Verde Enterprises, P.O. Box 907 Alamogordo, NM 88311 | Y | N | |
| G. Sandoval Constrn Inc, 2000 E. Lohman, Ste C Las Cruces, NM 88001 | Y | N | NM 209 Bridge Replacement Quay County |
| El Terrero Construction, LLC, PO Box 46185 Rio Rancho, NM 87174 | Y | N | |
| Vital Consulting Group LLC, 5770 Pino Ave. NE Alb, NM 87109 | Y | N | |
| Interstate Hwy Construction Inc, PO Box 4356 Englewood, CO 80155 | N | N | |
| AUI, Inc., PO Box 9825 Albuquerque, NM 87119 | Y | N | |
| El Terrero Construction, LLC, PO Box 46185 Rio Rancho, NM 87174 | Y | N | NM 102 Bridge Replacement Harding County |
| Vital Consulting Group LLC, 5770 Pino Ave. NE Alb, NM 87109 | Y | N | |
| AUI, Inc., PO Box 9825 Albuquerque, NM 87119 | Y | N | |
| Interstate Hwy Construction Inc, PO Box 4356 Englewood, CO 80155 | NY | N | |
| Kimo Construction, Inc., 3681 HWY47 Bosque Farms, NM 87068 | Y | N | NM 27 Bridge Rehabilitation Sierra County |
| Villalobos Construction Co, Inc., PO Box 6188 Las Cruces, NM 88006 | Y | N | |
| Smith Aguirre Constrn Co. Inc, PO Box Drawer 2276 Las Cruces, NM 8801 | Y | N | |
| Meridian Contracting, Inc., 3223 Los Arboles NE Alb, NM 87107 | Y | N | |
| Fisher Sand & Gravel -NM, Inc., PO Box 2340 Placitas, NM 87043 | Y | N | I-40/NM 122 Roadway Reconstruction McKinley County |
| Mtn. States Constructor, Inc., 3601 Pan Amer Fwy # 111 Alb, NM 87107 | Y | N | |
| FNF Construction, Inc., 115 S. 48th Street Tempe, AZ 85281 | N | N | |

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**NEW MEXICO DEPARTMENT OF TRANSPORTATION
Supplemental Schedule of Vendor Information**

| RFP # / RFB # | Type of Procurement | Awarded Vendor | \$ Amount of Awarded Contract | \$ Amount of Amended Contract |
|------------------|------------------------|---------------------------------------|----------------------------------|----------------------------------|
| CN 9900367 | August ITB | Vital Consulting Group LLC | 310,242 | 47,430 |
| CN A300074 | Sept. ITB | Interstate Highway Construction, Inc. | 4,183,028 | - |
| CN 4100070 | Sept. ITB | El Terrero Construction, LLC | 2,406,475 | - |
| CN 2100911 | Oct. ITB | James Hamilton Construction Co. | 25,199,423 | - |
| CN 5101180 | Oct. ITB | Mountain States Constructor, Inc. | 5,163,952 | - |
| CN F100115 | Oct. ITB | Hasse Contracting Co. Inc. | 1,299,025 | - |
| CN 1100840 | Nov. ITB | FNF Construction, Inc. | 2,848,257 | - |
| CN 4100770 | Nov. ITB | Fisher Sand & Gravel -NM, Inc. | 4,018,831 | - |

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|---|--|--|--|
| Fisher Sand & Gravel -NM, Inc., 5770 Pino Ave. NE Alb, NM 87109 | Y | N | I-40 Safety Concrete Wall Barrier Cibola County |
| AUI, Inc., PO Box 9825 Albuquerque, NM 87119 | Y | N | |
| Mtn. States Constructor, Inc., 3601 Pan Amer Fwy # 111 Alb, NM 87107 | Y | N | |
| Star Paving Company, 3109 Love Road SW Alb, NM 87105 | Y | N | |
| Interstate Hwy Construction Inc, PO Box 4356 Englewood, CO 80155 | N | N | |
| Interstate Hwy Construction Inc, PO Box 4356 Englewood, CO 80155 | N | N | I-40 Ramp/Roadway Reconstruction Bernalillo County |
| AUI, Inc., PO Box 9825 Albuquerque, NM 87119 | Y | N | |
| El Terrero Construction, LLC, PO Box 46185 Rio Rancho, NM 87174 | Y | N | NM 3 Roadway Reconstruction San Miguel County |
| AUI, Inc., PO Box 9825 Albuquerque, NM 87119 | Y | N | |
| James Hamilton Construction Co, PO Box 1287 Silver City, NM 88062 | Y | N | NM 529 Roadway Rehab/Reconstruction Eddy County |
| Fisher Sand & Gravel -NM, Inc., PO Box 2340 Placitas, NM 87043 | Y | N | |
| FNF Construction, Inc., 115 S. 48th Street Tempe, AZ 85281 | N | N | |
| Mtn. States Constructor, Inc., 3601 Pan Amer Fwy # 111 Alb, NM 87107 | Y | N | |
| Mtn. States Constructor, Inc., 3601 Pan Amer Fwy # 111 Alb, NM 87107 | Y | N | I-40 Roadway Rehab/Ramp Reconstruction Torrance County |
| Fisher Sand & Gravel -NM, Inc., PO Box 2340 Placitas, NM 87043 | Y | N | |
| FNF Construction, Inc., 115 S. 48th Street Tempe, AZ 85281 | N | N | |
| Hasse Contracting Co. Inc., PO Box 26808 Albuquerque, NM 87125 | Y | N | US 550 Bridge Rehabilitation San Juan County |
| AUI, Inc., PO Box 9825 Albuquerque, NM 87119 | Y | N | |
| Kimo Construction, Inc., 3681 HWY47 Bosque Farms, NM 87068 | Y | N | |
| Vital Consulting Group LLC, 5770 Pino Ave. NE Alb, NM 87109 | Y | N | |
| Interstate Hwy Construction Inc, PO Box 4356 Englewood, CO 80155 | N | N | |
| FNF Construction, Inc., 115 S. 48th Street Tempe, AZ 85281 | N | N | US 60 Bridge Replacement Socorro County |
| Vital Consulting Group LLC, 5770 Pino Ave. NE Alb, NM 87109 | Y | N | |
| Meridian Contracting, Inc., 3223 Los Arboles NE Alb, NM 87107 | N | N | |
| Constructors, Inc., 3003 South Boyd Drive Carlsbad, NM 88220 | Y | N | |
| AUI, Inc., PO Box 9825 Albuquerque, NM 87119 | Y | N | |
| El Terrero Construction, LLC, PO Box 46185 Rio Rancho, NM 87174 | Y | N | |
| Interstate Hwy Construction Inc, PO Box 4356 Englewood, CO 80155 | N | N | |
| Fisher Sand & Gravel -NM, Inc. PO Box 2340 Placitas, NM 87043 | Y | N | US 64 Roadway Rehabilitation Union County |
| Mtn. States Constructor, Inc., 3601 Pan Amer Fwy # 111 Alb, NM 87107 | Y | N | |
| FNF Construction, Inc., 115 S. 48th Street Tempe, AZ 85281 | N | N | |
| A & S Construction, P.O. Box 2235 Taos, NM 87571 | N | N | |

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Supplemental Schedule of Vendor Information**

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|------------------|------------------------|-----------------------------------|----------------------------------|----------------------------------|
| CN 4100780 | Nov. ITB | Fisher Sand & Gravel -NM, Inc. | 2,636,928 | - |
| CN 4100800 | Nov. ITB | Fisher Sand & Gravel -NM, Inc. | 4,433,007 | - |
| CN A300076 | Nov. ITB | AUI, Inc. | 2,817,112 | - |
| CN 1100650 | Nov. ITB | The Truesdell Corporation | 1,174,734 | - |
| CN 1100620 | December ITB | Mountain States Constructor, Inc. | 12,252,407 | - |
| CN 1100890 | December ITB | Mountain States Constructor, Inc. | 5,768,906 | - |
| CN 9900365R | December ITB | Highway Supply LLC | 2,100,579 | - |
| CN 9900366R | December ITB | Highway Supply LLC | 2,776,469 | - |
| CN 5100794R | December ITB | Kimo Construction, Inc. | 969,003 | - |
| CN E100100R | January ITB | AUI, Inc. | 1,540,220 | - |
| CN A301590R | January ITB | MWI, Inc. | 350,445 | - |

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|---|--|--|---|
| Fisher Sand & Gravel -NM, Inc., PO Box 2340 Placitas, NM 87043 | Y | N | US 64 Roadway Rehab/Reconstruction Union County |
| Mtn. States Constructor, Inc., 3601 Pan Amer Fwy # 111 Alb, NM 87107 | Y | N | |
| FNF Construction, Inc., 115 S. 48th Street Tempe, AZ 85281 | N | N | |
| Northern Mountain Constructors, P.O. Box 348 El Prado, NM 87529 | Y | N | |
| Fisher Sand & Gravel -NM, Inc., PO Box 2340 Placitas, NM 87043 | Y | N | I-25 Roadway Rehab/Reconstruction San Miguel County |
| Mtn. States Constructor, Inc., 3601 Pan Amer Fwy # 111 Alb, NM 87107 | Y | N | |
| FNF Construction, Inc., 115 S. 48th Street Tempe, AZ 85281 | N | N | |
| AUI, Inc., PO Box 9825 Albuquerque, NM 87119 | Y | N | I-40 Miscellaneous Precast Concrete Sound Wall/Lighting Bernalillo County |
| Interstate Hwy Construction Inc, PO Box 4356 Englewood, CO 80155 | N | N | |
| The Truesdell Corporation, 1310 West 23rd St Tempe, AZ 85282 | N | N | I-25 Bridge Rehabilitation Bernalillo County |
| RAM Constrn Svcs of Michigan Inc., 13800 Eckles Rd Livonia, MI 48150 | N | N | |
| Meridian Contracting, Inc., 3223 Los Arboles NE Alb, NM 87107 | Y | N | |
| Mtn. States Constructor, Inc., 3601 Pan Amer Fwy # 111 Alb, NM 87107 | Y | N | I-10 Roadway Rehab/Reconstruction Dona Ana County |
| FNF Construction, Inc., 115 S. 48th Street Tempe, AZ 85281 | N | N | |
| Mtn. States Constructor, Inc., 3601 Pan Amer Fwy # 111 Alb, NM 87107 | Y | N | I-25 Roadway Rehabilitation Sierra & Socorro County |
| FNF Construction, Inc., 115 S. 48th Street Tempe, AZ 85281 | N | N | |
| Fisher Sand & Gravel -NM, Inc., PO Box 2340 Placitas, NM 87043 | Y | N | |
| Highway Supply LLC, 6221 Chappell Rd. NE Alb, NM 87113 | Y | N | I-10 Safety Striping Hidalgo, Grant, Luna and Dona Ana County |
| San Bar Construction Corp., 9101 Broadway SE Alb, NM 87105 | Y | N | |
| Highway Supply LLC, 6221 Chappell Rd. NE Alb, NM 87113 | Y | N | I-25 Safety Striping Dona Ana, Sierra and Socorro County |
| San Bar Construction Corp., 9101 Broadway SE Alb, NM 87105 | Y | N | |
| Kimo Construction, Inc., 3681 HWY47 Bosque Farms, NM 87068 | Y | N | NM 95 Bridge Rehabilitation Rio Arriba County |
| Hasse Contracting Co. Inc., PO Box 26808 Albuquerque, NM 87125 | Y | N | |
| Vital Consulting Group LLC, 5770 Pino Ave. NE Alb, NM 87109 | Y | N | |
| AUI, Inc., PO Box 9825 Albuquerque, NM 87119 | Y | N | |
| AUI, Inc., PO Box 9825 Albuquerque, NM 87119 | Y | N | NM 28 Bridge Replacement Dona Ana County |
| La Calerita Construction, LLC, PO Box 756 Las Cruces, NM 88004 | Y | N | |
| FNF Construction, Inc., 115 S. 48th Street Tempe, AZ 85281 | N | N | |
| MWI, Inc., PO Box 30670 Albuquerque, NM 87190 | Y | N | US 550 Lighting, Signalization, ITS Sandoval County |
| Bixby Electric, Inc., 521 Wheeler SE Albuquerque, NM 87102 | Y | N | |

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|------------------|------------------------|---------------------------------------|----------------------------------|----------------------------------|
| CN 4101140R | January ITB | Hasse Contracting Co. Inc. | 3,398,762 | - |
| CN 4100810 | February ITB | Fisher Sand & Gravel -NM, Inc. | 5,195,683 | - |
| CN 2101370 | February ITB | Constructors, Inc. | 4,184,837 | - |
| 4101190 | February ITB | Hasse Contracting Co. Inc. | 887,803 | - |
| CN 2100890 | March ITB | Mountain States Constructor, Inc. | 11,302,659 | - |
| CN A300420 | April ITB | Mountain States Constructor, Inc. | 5,613,511 | 168,926 |
| CN 1100610 | April ITB | Mountain States Constructor, Inc. | 3,757,997 | - |
| CN 2101840 | April ITB | Interstate Highway Construction, Inc. | 356,877 | - |

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|--|--|--|--|
| Hasse Contracting Co. Inc., PO Box 26808 Albuquerque, NM 87125 | Y | N | NM 456 Bridge Replacement Union County |
| AUI, Inc., PO Box 9825 Albuquerque, NM 87119 | Y | N | |
| El Terrero Construction, LLC, PO Box 46185 Rio Rancho, NM 87174 | Y | N | |
| Fisher Sand & Gravel -NM, Inc., PO Box 2340 Placitas, NM 87043 | Y | N | I-40 Roadway Rehab/Ramp Reconstruction Guadalupe County |
| Mtn. States Constructor, Inc., 3601 Pan Amer Fwy # 111 Alb, NM 87107 | Y | N | |
| FNF Construction, Inc., 115 S. 48th Street Tempe, AZ 85281 | N | N | |
| Constructors, Inc., 3003 South Boyd Drive Carlsbad, NM 88220 | Y | N | US 285 Roadway Rehabilitation Eddy County |
| Fisher Sand & Gravel -NM, Inc., PO Box 2340 Placitas, NM 87043 | Y | N | |
| James Hamilton Construction Co, PO Box 1287 Silver City, NM 88062 | Y | N | |
| FNF Construction, Inc., 115 S. 48th Street Tempe, AZ 85281 | N | N | |
| Mtn. States Constructor, Inc., 3601 Pan Amer Fwy # 111 Alb, NM 87107 | Y | N | |
| Hasse Contracting Co. Inc., PO Box 26808 Albuquerque, NM 87125 | Y | N | I-40 Bridge Rehabilitation Quay County |
| Villalobos Construction Co, Inc, PO Box 6188 Las Cruces, NM 88006 | Y | N | |
| The Truesdell Corporation, 1310 West 23rd Street Tempe, AZ 85282 | N | N | |
| Interstate Hwy Construction, Inc., PO Box 4356 Englewood, CO 80155 | N | N | |
| Kimo Construction, Inc., 3681 HWY47 Bosque Farms, NM 87068 | Y | N | |
| El Terrero Construction, LLC, PO Box 46185 Rio Rancho, NM 87174 | Y | N | |
| Mtn. States Constructor, Inc., 3601 Pan Amer Fwy # 111 Alb, NM 87107 | Y | N | NM 18 Roadway Reconstruction Lea County |
| FNF Construction, Inc., 115 S. 48th Street Tempe, AZ 85281 | N | N | |
| Constructors, Inc., 3003 South Boyd Drive Carlsbad, NM 88220 | Y | N | |
| Fisher Sand & Gravel -NM, Inc., PO Box 2340 Placitas, NM 87043 | Y | N | |
| James Hamilton Construction Co, PO Box 1287 Silver City, NM 88062 | Y | N | |
| Mtn. States Constructor, Inc., 3601 Pan Amer Fwy # 111 Alb, NM 87107 | Y | N | NM 6 Roadway Reconstruction/Rehabilitation Valencia County |
| Albuquerque Asphalt Inc., PO Box 66450 Albuquerque, NM 87193 | Y | N | |
| FNF Construction, Inc., 115 S. 48th Street Tempe, AZ 85281 | N | N | |
| Mtn. States Constructor, Inc., 3601 Pan Amer Fwy # 111 Alb, NM 87107 | Y | N | I-10 Roadway Rehabilitation Hidalgo County |
| Fisher Sand & Gravel -NM, Inc., PO Box 2340 Placitas, NM 87043 | Y | N | |
| FNF Construction, Inc., 115 S. 48th Street Tempe, AZ 85281 | N | N | |
| Interstate Hwy Construction Inc, PO Box 4356 Englewood, CO 80155 | N | N | US 380 Bridge Rehabilitation Lincoln County |
| El Terrero Construction, LLC, PO Box 46185 Rio Rancho, NM 87174 | Y | N | |
| Hasse Contracting Co. Inc., PO Box 26808 Albuquerque, NM 87125 | Y | N | |
| Kimo Construction, Inc., 3681 HWY47 Bosque Farms, NM 87068 | Y | N | |
| A & A Painting, 74 Creed Circle Camobell, OH 44405 | N | N | |

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|------------------|------------------------|-----------------------------------|----------------------------------|----------------------------------|
| CN 4101200 | April ITB | El Terrero Construction, LLC | 647,315 | - |
| CN F100221 | April ITB | MWI, Inc. | 90,858 | - |
| CN 6101030 | May ITB | La Calerita Construction, LLC | 9,149,504 | - |
| CN A300816 | May ITB | Albuquerque Asphalt Inc. | 3,859,252 | - |
| CN 5101200 | May ITB | Albuquerque Asphalt Inc. | 626,082 | - |
| CN 1101250 | June ITB | La Calerita Construction, LLC | 5,125,127 | - |
| A300016/A300 | June ITB | Mountain States Constructor, Inc. | 3,576,361 | - |
| CN 5100820 | June ITB | Oldcastle SW Group, Inc. | 1,907,431 | - |
| CN 6100289R | June ITB | C & E Concrete Inc. | 1,181,576 | - |

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|---|--|--|---|
| El Terrero Construction, LLC, PO Box 46185 Rio Rancho, NM 87174 | Y | N | I-25 Bridge Rehabilitation Mora County |
| Hasse Contracting Co. Inc., PO Box 26808 Albuquerque, NM 87125 | Y | N | |
| Interstate Hwy Construction Inc, PO Box 4356 Englewood, CO 80155 | N | N | |
| Villalobos Construction Co, Inc, PO Box 6188 Las Cruces, NM 88006 | Y | N | |
| Kimo Construction, Inc., 3681 HWY47 Bosque Farms, NM 87068 | Y | N | |
| The Truesdell Corporation, 1310 West 23rd Street Tempe, AZ 85282 | N | N | |
| Meridian Contracting, Inc., 3223 Los Arboles NE Alb, NM 87107 | Y | N | |
| MWI, Inc., P.O. Box 30670 Albuquerque, NM 87190 | Y | N | NM 371 Signalization San Juan County |
| Bixby Electric, Inc., 521 Wheeler SE Albuquerque, NM 87102 | Y | N | |
| La Calerita Construction, LLC, PO Box 756 Las Cruces, NM 88004 | Y | N | NM 159 Roadway Reconstruction Catron County |
| Meridian Contracting, Inc., 3223 Los Arboles NE Alb, NM 87107 | Y | N | |
| AUI, Inc., PO Box 9825 Albuquerque, NM 87119 | Y | N | |
| FNF Construction, Inc., 115 S. 48th Street Tempe, AZ 85281 | N | N | |
| El Terrero Construction, LLC, PO Box 46185 Rio Rancho, NM 87174 | Y | N | |
| Albuquerque Asphalt Inc., PO Box 66450 Albuquerque, NM 87193 | Y | N | NM 423 Roadway Rehabilitation Bernalillo County |
| AUI, Inc., PO Box 9825 Albuquerque, NM 87119 | Y | N | |
| Mtn. States Constructor, Inc., 3601 Pan Amer Fwy # 111 Alb, NM 87107 | Y | N | |
| Albuquerque Asphalt Inc., PO Box 66450 Albuquerque, NM 87193 | Y | N | NM 344 Roadway Reconstruction Santa Fe County |
| Star Paving Company, 3109 Love Road SW Alb, NM 87105 | Y | N | |
| Mtn. States Constructor, Inc., 3601 Pan Amer Fwy # 111 Alb, NM 87107 | Y | N | |
| La Calerita Construction, LLC, PO Box 756 Las Cruces, NM 88004 | Y | N | I-10 Bridge Rehabilitation Luna County |
| El Terrero Construction, LLC, PO Box 46185 Rio Rancho, NM 87174 | Y | N | |
| FNF Construction, Inc., 115 S. 48th Street Tempe, AZ 85281 | N | N | |
| AUI, Inc., PO Box 9825 Albuquerque, NM 87119 | Y | N | |
| Interstate Hwy Construction Inc, PO Box 4356 Englewood, CO 80155 | N | N | |
| La Calerita Construction, LLC, 3601 Pan Amer Fwy # 111 Alb, NM 87107 | Y | N | NM 45 Roadway Rehab/ADA Ramp Reconstruction Bernalillo County |
| Albuquerque Asphalt, Inc., PO Box 66450 Albuquerque, NM 87193 | Y | N | |
| AUI, Inc., PO Box 9825 Albuquerque, NM 87119 | Y | N | |
| Oldcastle SW Group, Inc., PO Box 16 Farmington, NM 87499 | Y | N | US 64 Roadway Reconstruction San Juan County |
| C & E Concrete Inc., PO Box 2547 Milan, NM 87021 | Y | N | Stockpiling District 6 |
| Fisher Sand & Gravel -NM, Inc., PO Box 2340 Placitas, NM 87043 | Y | N | |
| Mtn. States Constructor, Inc., 3601 Pan Amer Fwy # 111 Alb, NM 87107 | Y | N | |

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SINGLE AUDIT

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2016

| Federal Agency/ Pass-Through Agency | Federal CFDA Number | Pass-Through Entity Identifying Number |
|--|---------------------------|--|
| Direct Assistance Programs: | | |
| U.S. Department of Transportation: | | |
| Federal Highway Administration (FHWA) | | |
| Highway Planning and Construction: | | |
| Highway Planning and Construction | 20.205 | |
| Total Federal Highway Administration (FHWA) | | |
| National Highway Traffic Safety Administration (NHTSA) | | |
| Highway Safety Cluster | | |
| State and Community Highway Safety | 20.600 | |
| Incentive Grant Program to Increase Motorcyclist Safety | 20.612 | |
| National Priority Safety Programs | 20.616 | |
| Total Highway Safety Cluster | | |
| Minimum Penalties for Repeat Offenders for Driving While Intoxicated | 20.608 | |
| Total National Highway Traffic Safety Administration (NHTSA) | | |
| Federal Aviation Administrative (FAA) | | |
| Airport Improvement Program | 20.106 | |
| Total Federal Aviation Administrative (FAA) | | |
| Federal Transit Administration (FTA) | | |
| Federal Transit Cluster | | |
| Federal Transit Capital Investment Grants | 20.500 | |
| Federal Transit Formula Grants | 20.526 | |
| Total Federal Transit Cluster | | |
| Transit Services Programs Cluster | | |
| Capital Assistance Program for Elderly Persons and Persons with Disabilities | 20.513 | |
| Federal Transit Veterans Award | 20.514 | |
| Total Transit Services Programs Cluster | | |

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

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Schedule of Expenditures of Federal Awards

| | Passed Through to Subrecipients | | Federal Participation Expenditures |
|----|--|----|---|
| \$ | 20,741,089 | \$ | 378,820,223 |
| | 20,741,089 | | 378,820,223 |
| | 940,177 | | 2,662,392 |
| | - | | 13,984 |
| | 1,155,120 | | 2,617,779 |
| | 2,095,297 | | 5,294,155 |
| | 2,224,964 | | 6,422,445 |
| | 4,320,261 | | 11,716,600 |
| | - | | 1,027,967 |
| | - | | 1,027,967 |
| | 853,600 | | 853,600 |
| | 1,776,426 | | 1,776,426 |
| | 2,630,026 | | 2,630,026 |
| | 278,791 | | 2,246,100 |
| | - | | 4,025 |
| | 278,791 | | 2,250,125 |

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

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2016

| Federal Agency/ Pass-Through Agency | Federal CFDA Number | Pass-Through Entity Identifying Number |
|---|---------------------------|--|
| U.S. Department of Transportation (continued): | | |
| Federal Transit Administration (FTA) (continued): | | |
| Metropolitan Transportation Planning | 20.505 | |
| Formula Grants for Other Than Urbanized Areas | 20.509 | |
| Total Federal Transit Administration (FTA) | | |
| Total U.S. Department of Transportation | | |
| Total Federal Financial Assistance | | |

NEW MEXICO DEPARTMENT OF TRANSPORTATION
Schedule of Expenditures of Federal Awards

| Passed Through to Subrecipients | Federal Participation Expenditures |
|--|---|
| 426,571 | 426,571 |
| 8,495,612 | 9,744,276 |
| 11,831,000 | 15,050,998 |
| 36,892,350 | 406,615,788 |
| <u>\$ 36,892,350</u> | <u>\$ 406,615,788</u> |

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

NEW MEXICO DEPARTMENT OF TRANSPORTATION
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 award activity of the New Mexico Department of Transportation (Department) under programs of the federal government for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Department, it is not intended to and does not present the financial position or changes in net position of the Department.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The New Mexico Department of Transportation (Department) does not utilize the indirect cost rate.

Federal grant revenues collected in advance of the period they are intended to finance expenditures are recorded as deferred inflows, 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 | \$ 407,378,302 |
| Deferred U.S. Department of Transportation (2016) | 1,894,008 |
| Deferred U.S. Department of Transportation (2015) | (2,662,010) |
| Other Adjustment | <u>5,488</u> |

Supplemental Schedule of Expenditures
of Federal Awards

\$ 406,615,788

See Independent Auditors' Report

**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. Timothy Keller, 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, 2016 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 November 30, 2016.

Internal Control Over Financial Reporting

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

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

Mr. Tom Church, Cabinet Secretary
State of New Mexico Department of Transportation
and Mr. Timothy Keller, State Auditor

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. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2016-004, that we consider to be a significant deficiency.

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 2016-001, 2016-002, and 2016-003.

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

Albuquerque, New Mexico
November 30, 2016



CliftonLarsonAllen

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

Mr. Tom Church, Cabinet Secretary
State of New Mexico Department of Transportation
and Mr. Timothy Keller, 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 Compliance Supplement* that could have a direct and material effect on each of the Department's major federal programs for the year ended June 30, 2016. The Department's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of 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 the audit requirements of the Title 2 U.S. Code of *Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Department's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the 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, 2016.

Mr. Tom Church, Cabinet Secretary
State of New Mexico Department of Transportation
and Mr. Timothy Keller, State Auditor

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2016-004. Our opinion on each major federal program is not modified with respect to this matter.

The Department's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Department's response was not subjected to the auditing procedures applied in the audit of 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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2016-004, which we consider to be significant deficiency.

The Department's response to the internal control over compliance findings identified in our audit are 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.

Mr. Tom Church, Cabinet Secretary
State of New Mexico Department of Transportation
and Mr. Timothy Keller, State Auditor

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Albuquerque, New Mexico
November 30, 2016

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

For the Year Ended June 30, 2016

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(ies) identified that are not considered to be material weaknesses? 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(ies) identified that are not considered to be material weaknesses? 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 the Uniform Guidance? Yes None Reported

Identification of Major Programs:

| | |
|---|---|
| Name of Federal Program or Cluster | <u>CFDA Number(s)</u> |
| Highway Planning and Construction | 20.205 |
| Federal Transit Cluster | 20.500, 20.526 |
| Dollar threshold used to distinguish between type A and type B programs | \$3,000,000 |
| Auditee qualified as low-risk auditee? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |

B. FINDINGS – FINANCIAL STATEMENT AUDIT

There were no findings for the year ended June 30, 2016

C. FINDINGS – FEDERAL AWARDS

2016-004 Federal Awards: Award Information (Significant Deficiency and Instances of Non-Compliance)

FEDERAL PROGRAMS:

- Federal Highway Administration (FHWA), 20.205
- Federal Transit Cluster (FTC), 20.500 & 20.506

FEDERAL AGENCY

US Department of Transportation

APPLICABLE COMPLIANCE REQUIREMENT

Subrecipient Monitoring

CONDITION

• FHWA - Out of 10 subrecipient contracts tested, the 10 contracts did not include the CFDA number that the pass-through award was awarded from nor was the information communicated separately. During review of subrecipient procedures, it was noted that financial records were not being reviewed prior to issuing sub awards.

• FTC - Out of three subrecipient contracts tested, the three contracts did not include the CFDA number that the pass-through award was awarded from. The awards only disclosed one of the CFDA numbers that were the source of the funding and omitted the FTC CFDA numbers.

CRITERIA

According to 31 USC 7502(f)(2):

- a: "Each pass-through entity shall provide such subrecipient the program names (and any identifying numbers) from which such assistance is derived, and the Federal requirements which govern the use of such awards and the requirements of this chapter"
- c: "review the audit of a subrecipient as necessary to determine whether prompt and appropriate corrective action has been taken with respect to audit findings, as defined by the Director, pertaining to Federal awards provided to the subrecipient by the pass-through entity"

CAUSE

Management oversight.

EFFECT

Subrecipients could improperly report federal expenditures.

RECOMMENDATION

We recommend management create a procedure to review subrecipient audits and to disclose the required information to all subrecipients.

**NEW MEXICO DEPARTMENT OF TRANSPORTATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Findings and Questioned Costs - Major Federal Award Programs Audit**

C. FINDINGS – FEDERAL AWARDS (Continued)

**2016-004 Federal Awards: Award Information (Significant Deficiency and Instances of Non-Compliance)
(continued)**

MANAGEMENT RESPONSE

Contracts and agreements released prior to the change in the 2 CFR 200 reporting were not updated to include the CFDA or the FAIN number as required in the new requirements. A letter is being sent to all sub recipients of all the major federal programs notifying them of the CFDA number, funding source and FAIN number if applicable. Future Contracts and agreements will include the required disclosures.

All sub recipients requesting funding through the state's Severance Tax Bond program must have their financial statements reviewed. Accounting Services and Project Oversight Division will create a checklist to include in the federal project file for any sub recipients who also receive federal funding through the New Mexico Department of Transportation. For all other sub recipients who receive federal funding through the New Mexico Department of Transportation, Accounting Services and Project Oversight Division will check the financial statements for any entity in the top 10% of NMDOT distributions and for any entity with publicized financial issues. Accounting Services and Project Oversight Division will sample the remaining entities yearly for review.

D. FINDINGS – COMPLIANCE AND OTHER MATTERS

2016-001 Capital Assets: Property Loss (Compliance and Other Matters)

CONDITION

The Department identified to the engagement team two instances of noncompliance with internal controls over capital assets.

- The Department disposed of a 2000 Chevy Silverado without approval of the Department's Policy and Procedure Committee.
- The Department also identified 90 IT assets, acquired between 1995 and 2011, that could not be located during the physical inventory conducted during FY 2016.

CRITERIA

According to Section 13-6-1 (B) (1) NMSA 1978, "The governing authority shall, as a prerequisite to the disposition of any items of tangible personal property: designate a committee of at least three officials of the governing authority to approve and oversee the disposition; and give notification at least thirty days prior to its action making the deletion by sending a copy of its official finding and the proposed disposition of the property to the state auditor and the appropriate approval authority designated in Section 13-6-2 NMSA 1978, duly sworn and subscribed under oath by each member of the authority approving the action."

CAUSE

Management oversight.

EFFECT

Non-compliance with state statute and internal procedures.

RECOMMENDATION

We recommend management evaluate the applicable statutes and review current procedures to ensure compliance. Revised procedures would include notifying NMDOT's Policy and Procedures Committee of all disposals.

MANAGEMENT RESPONSE

NMDOT's process for the disposal of vehicles damaged beyond repair did not include review by Policy and Procedures Committee (PPC). The department was contacted about this discrepancy by the Office of the State Auditor in June. NMDOT has changed the process to include these disposals using the same process as all other types of disposals.

The Department has been working on verifying disposals and certifications to validate all capital assets including IT equipment. There has been uncertainty about when to go ahead and file the request to dispose and how quickly to actually dispose on the equipment once it has been approved for disposal. The missing equipment was obsolete and thought to be stored but a thorough inspection could not locate the equipment. The department is following published procedures to dispose of obsolete equipment as soon as it is approved and reduce the risk of equipment going missing. Accounting Services is responsible for the oversight of all asset disposals.

D. FINDINGS – COMPLIANCE AND OTHER MATTERS (Continued)

2016-002 Inventory (Compliance and Other Matters)

CONDITION

During procedures over inventory, the following was noted:

- The Department incorrectly identified a part of an inventory item as a separate inventory item, overstating inventory by \$1,360
- The Department could not locate four tires, worth \$1,626, that were on the inventory listing, nor identify the requisition forms for the use of the items.

CRITERIA

Per DOT Internal procedures, all inventory items must be tracked from initial receipt through time the items are taken out of inventory.

CAUSE

Management oversight.

EFFECT

Non-compliance with internal procedures.

RECOMMENDATION

We recommend management evaluate the current ongoing inventory process to ensure compliance with internal procedures and accuracy of the inventory listing.

MANAGEMENT RESPONSE

The Accounting Services Bureau will provide continued communication, training, and oversight to District 5 in order to ensure that inventory is recognized and recorded per the State of New Mexico's Model Accounting Practices (MAPS).

D. FINDINGS – COMPLIANCE AND OTHER MATTERS (Continued)

2016-003 Per Diem Expenditures (Compliance and Other Matters)

CONDITION

During compliance testwork, instances of noncompliance with internal administrative directives (AD) over per diem were identified.

- Two instances where employees did not fill out the proper forms A-1219 or A-476, per AD 902.
- The Department is not following AD 902 for the related to the \$1,500 rule over employees who are not considered "transient employees".

CRITERIA

According to the Department's AD 902, 4.10:

- B: "Any employee who is reimbursed for per diem in an amount that singly or in the aggregate exceeds \$1,500 in any one year shall not be entitled to further per diem reimbursement until the employee furnishes in writing to the Cabinet Secretary, or from the Cabinet Secretary to the Governor, an itemized statement on each separate instance of travel covered within the reimbursement, the place to which traveled and the Department purpose served by the travel."
- D: "Employees requesting per diem reimbursement for in-state per diem shall submit said request via Form A-1219, State of New Mexico Itemized Schedule of Travel Expenses".
- F: "Transient crew employees requesting per diem reimbursement for in-state per diem that relates specifically to the performance of their particular assignment (or reassignment) shall submit said request via Form A-476, Operational Per Diem Certification."

CAUSE

Management oversight.

EFFECT

Non-compliance with internal administrative directives.

RECOMMENDATION

We recommend management evaluate the applicable statutes and review current procedures to ensure compliance. Revised procedures would include revising AD 902.

MANAGEMENT RESPONSE

The Administrative Directive was updated in 2015 to put controls in place for payment of per diem. The lack of forms is both a training and an oversight issue. The NM Department of Transportation SHARE support team will train HR employees on the consistent use of the required forms.

The Administrative Directive explicitly states that operational employees who exceed \$1,500 in a calendar year of per diem will notify the Cabinet Secretary by providing a schedule. The Administrative Directive will be updated to include more comprehensive procedures and a schedule will be provided to the Secretary at the beginning of every calendar year listing all potential employees who will exceed the \$1,500 in that calendar year. The Secretary delegates the actual notification and approval of per diem the does exceed \$1,500 through the chain of command to the actual manager/supervisor of the employee.

B. Financial Statement Audit

There were no findings for the year ended June 30, 2015

C. Federal Awards

There were no findings for the year ended June 30, 2015

D. Compliance and Other Matters

2014-001 Deposit of Public Funds - Resolved
2015-001 Emergency Procurement - Resolved

An exit conference was held with the Department on November 29, 2016. The conference was held at the Department's offices in Santa Fe, New Mexico. In attendance were:

STATE OF NEW MEXICO DEPARTMENT OF TRANSPORTATION

Tom Church, Cabinet Secretary
Loren Hatch, Deputy Secretary
Ronald L. Schmeits, Commissioner Chairman
Butch Matthews, Commissioner Vice Chairman
Ron Baca, Administrative Services Director
Michael S. Friel, Chief Financial Officer & Accounting Services Director
Kristen Dorland, Accounting Services Deputy Director
Gilbert Gurule, Senior Accountant
Jeremy F. Romero, Consultant Contractor

CLIFTONLARSONALLEN, LLP

Raul Anaya, CPA, CFE, CGFM, Principal
Andres Gamez, CPA, Senior Associate

PREPARATION OF FINANCIAL STATEMENTS

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