

**STATE OF NEW MEXICO
GENERAL SERVICES DEPARTMENT
Santa Fe, New Mexico**

**FINANCIAL STATEMENTS
June 30, 2013**

TABLE OF CONTENTS

	PAGE
OFFICIAL ROSTER	1
INDEPENDENT AUDITORS' REPORT	2
MANAGEMENT'S DISCUSSION AND ANALYSIS	5
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position.....	12
Statement of Activities.....	14
Fund Financial Statements	
Balance Sheet – Governmental Funds.....	16
Reconciliation of the Balance Sheet to the	
Statement of Net Position – Governmental Funds.....	17
Statement of Revenues, Expenditures and Changes in	
Fund Balances – Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures	
and Changes in Fund Balances to the Statement of	
Activities - Governmental Funds	19
Statement of Revenues and Expenditures – Major Governmental	
Fund – Budget and Actual (Modified Accrual Budgetary	
GAAP Basis)	20
Statement of Net Position – Enterprise Funds.....	21
Statement of Revenues, Expenses and Changes in	
Net Position – Enterprise Funds	25
Statement of Cash Flows – Enterprise Funds	27
Statement of Fiduciary Assets and Liabilities – Agency Funds.....	31
Notes to Financial Statements	32
SUPPLEMENTARY INFORMATION	59
General Fund Description	60
Combining Balance Sheet – By Fund Type -	
Non-Major Governmental Funds	61
Combining Statement of Revenues, Expenditures and	
Changes in Fund Balances – By Fund Type –	
Non-Major Governmental Funds	62

Non-Major Funds – Special Revenue Funds Descriptions	64
Combining Balance Sheet - Non-Major Special Revenue Funds.....	65
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-Major Special Revenue Funds	66
Major and Non-Major Funds – Capital Projects Funds Descriptions.....	67
Combining Balance Sheet - Non-Major Capital Projects Funds	68
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-Major Capital Projects Funds	70
Administrative Costs - Statement of Revenues and Expenditures – Non-Major Special Revenue Funds – Budget and Actual (Budgetary Basis).....	72
Purchasing Division Fees - Statement of Revenues and Expenditures – Non-Major Special Revenue Funds – Budget and Actual (Budgetary Basis).....	73
Public Buildings Repair - Statement of Revenues and Expenditures – Non-Major Special Revenue Funds - Budget and Actual (Budgetary Basis).....	74
Procurement Assistance Program - Statement of Revenues and Expenditures – Non-Major Special Revenue Funds – Budget and Actual (Budgetary Basis).....	75
Property Control Reserve Fund - Statement of Revenues and Expenditures – Non-Major Capital Projects Funds - Budget and Actual (Budgetary Basis).....	76
Tobacco Tax: DOH Facilities - Statement of Revenues and Expenditures – Non-Major Capital Projects Funds - Budget and Actual (Budgetary Basis).....	77
Laws of 2005 - Statement of Revenues and Expenditures – Non-Major Capital Projects Funds – Budget and Actual (Budgetary Basis).....	78
Laws of 1999 - Statement of Revenues and Expenditures – Non-Major Capital Projects Funds - Budget and Actual (Budgetary Basis).....	79
Severance Tax Bond Projects - Statement of Revenues and Expenditures –Major Capital Projects Funds - Budget and Actual (Budgetary Basis).....	80
General Fund Projects - Statement of Revenues and Expenditures – Non-Major Capital Projects Funds - Budget and Actual (Budgetary Basis).....	81
Capital Building Repair - Statement of Revenues and Expenditures –Major Capital Projects Funds - Budget and Actual (Budgetary Basis).....	82
Laws of 2006 - Statement of Revenues and Expenditures – Major Capital Projects Funds - Budget and Actual (Budgetary Basis).....	83
Major and Non-Major Funds – Enterprise Funds Descriptions	84
Combining Statement of Net Position - Non-Major Enterprise Funds	87
Combining Statement of Revenues, Expenses and Changes in Net Position - Non-Major Enterprise Funds	91
Combining Statement of Cash Flows - Non-Major Enterprise Funds.....	93
Administrative Services Division - Statement of Revenues and Expenses – Non-Major Enterprise Funds – Budget and Actual (Budgetary Basis).....	97

Surplus Property Bureau - Statement of Revenues and Expenses – Non-Major Enterprise Funds – Budget and Actual (Budgetary Basis).....	98
State Aircraft Pool - Statement of Revenues and Expenses – Non-Major Enterprise Funds – Budget and Actual (Budgetary Basis).....	99
State Printing - Statement of Revenues and Expenses – Non-Major Enterprise Funds – Budget and Actual (Budgetary Basis).....	100
Risk Management Operating Account - Statement of Revenues and Expenses – Non-Major Enterprise Funds – Budget and Actual (Budgetary Basis).....	101
State Unemployment Compensation Reserve - Statement of Revenues and Expenses – Non-Major Enterprise Funds – Budget and Actual (Budgetary Basis).....	102
Local Public Body Unemployment Compensation - Statement of Revenues and Expenses – Non-Major Enterprise Funds – Budget and Actual (Budgetary Basis).....	103
Surety Bond - Statement of Revenues and Expenses – Non-Major Enterprise Funds – Budget and Actual (Budgetary Basis).....	104
Employee Assistance Program - Statement of Revenues and Expenses – Non-Major Enterprise Funds – Budget and Actual (Budgetary Basis).....	105
Public Property Reserve - Statement of Revenues and Expenses – Non-Major Enterprise Funds – Budget and Actual (Budgetary Basis).....	106
Public Liability - Statement of Revenues and Expenses – Major Enterprise Funds - Budget and Actual (Budgetary Basis).....	107
Workers' Compensation Retention - Statement of Revenues and Expenses – Major Enterprise Funds - Budget and Actual (Budgetary Basis).....	108
State Transportation Pool - Statement of Revenues and Expenses – Major Enterprise Funds - Budget and Actual (Budgetary Basis).....	109
Group Insurance Premium Stabilization - Statement of Revenues and Expenses – Major Enterprise Funds – Budget and Actual (Budgetary Basis).....	110
Fiduciary Funds Descriptions	111
Combining Statement of Fiduciary Assets and Liabilities - Agency Funds	112
OTHER SUPPLEMENTAL INFORMATION.....	113
Schedule of Changes in Assets and Liabilities – Agency Funds	114
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 <i>Government Auditing Standards</i>	116
Schedule of Findings and Responses.....	118
Summary Schedule of Prior Year Audit Findings	123
Exit Conference	125

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
OFFICIAL ROSTER
June 30, 2013**

Office of the Secretary

Ed Burckle, Cabinet Secretary

Mike Unthank, Deputy Cabinet Secretary

Division Directors

Karen Baltzley, Information Services Division

Michelle Aubel, Administrative Services Division

George Morgan, Facilities Management Division

Lawrence Maxwell, Purchasing Division

Bob Mesch, State Printing Division

Anthony J. (AJ) Forte, Risk Management Division

James Chavez, Transportation Services Division



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INDEPENDENT AUDITORS' REPORT

Mr. Ed Burckle, Secretary
State of New Mexico
General Services Department, and
Mr. Hector H. Balderas
New Mexico 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 of the New Mexico General Services Department (the Department,) as of and for the year ended June 30, 2013, 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 the Department's nonmajor governmental funds, nonmajor enterprise funds, and fiduciary funds, and the budgetary comparisons for the major capital project funds and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2013, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Department as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund, nonmajor enterprise fund, and fiduciary funds of the Department as of June 30, 2013, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparisons for the major capital project funds, and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

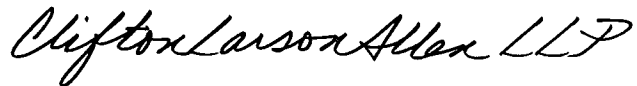
Our audit was conducted for the purpose of forming opinions on the Department's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The other schedules required by 2.2.2 NMAC are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The other schedules required by 2.2.2 NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other schedules required by 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2013 on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

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

Albuquerque, NM
December 13, 2013

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2013**

The Management's Discussion and Analysis (MD&A) of the State of New Mexico General Services Department (Department) explains the Department's financial statements and gives our summary of the Department's finances for the fiscal year ended June 30, 2013. We ask that it be read together with the financial statements, which follow it.

Overview of the Financial Statements

The Department's financial statements comply with the new Government Accounting Standards Board Statement No. 34 (GASB 34) financial Reporting Standard. They include the Basic Financial Statements (BFS) and Required Supplementary Information (RSI). The BFS consist of the Government-Wide Financial Statements, Fund Financial Statements and the Notes to the Financial Statements.

Government-Wide Financial Statements. The government-wide financial statements consist of a statement of net position and a statement of activities. These statements cover all of the financial activities and resources of the Department as a whole, except fiduciary activities. Fiduciary activities are not included because the resources do not belong to the Department. The government-wide financial statements report the Department's governmental and business-type activities. Governmental activities are the activities financed by a general revenue appropriation, bonds or state and federal grant. Business-type activities are activities operated like a business. These activities provide goods or services for a fee on a cost reimbursement basis (i.e., are self-supporting).

The Statement of Net Position reports what the Department owned (assets) and owed (liabilities) at June 30, 2013. Net position is what will remain after all liabilities are paid off. Net position legally limited to a particular use is reported as restricted. Unrestricted net position is assets that can be used for any of the Department's purposes in future years.

The Statement of Activities reports the costs (expenses) of providing support services to other state agencies and local governments and the revenues obtained to finance them. The first column of the statement reports the Department's governmental and business-type activities by program. A program is a grouping of similar activities. For example, Program Support includes the support activities of the Office of the Secretary and the Administrative Services Division (which also operates the state's Inter-agency Mail Service). The second column lists each program's expenses. The next set of columns report program revenues (revenues earned by the programs themselves). The last three columns are obtained by subtracting program revenues from program expenses. They show the amounts by which programs covered their own costs with user fees, bond proceeds and grants. The bottom half of the statement shows the money appropriated and transferred to the Department from the State General Fund and other general revenues used to finance services.

Fund Financial Statements. The fund financial statements follow the government-wide financial statements. They provide more detail about the Department's major funds (as defined by GASB 34, the most material governmental and business-type funds, not the Department as a whole). Smaller funds (labeled non-major) are combined and reported in total under the other funds column. The financial details pertaining to these smaller funds are reported in the combining financial statements located in the supplemental schedules.

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2013**

Funds are a method of accounting used by the Department to keep track of specific revenue sources and expenditures for separate functions. Some funds are required by state law and by bond provisions. Management established other funds to control and manage money for particular purposes or to show that it is properly using certain financial resources. The Department uses three types of funds to account for its service activities.

Governmental Funds have a short-term focus. They report only current assets (cash, accounts receivable, etc.), current liabilities and financial resources that flowed in and out of the Department during the year. They are the governmental activities reported in the government-wide financial statements. The Department uses three types of governmental funds:

The General Fund is used to account for services funded by general revenue appropriations not accounted for in other funds.

Special Revenue Funds are used to give an accounting of the use of the proceeds of specific revenue sources. For example, the Procurement Assistance federal and state grant must be used to educate New Mexico businesses on how to do business with state, federal and local governments.

Capital Project Funds are used to track appropriations to the Department to build, acquire, renovate and improve state-owned buildings and land.

Proprietary Funds are used to report the Department's service activities that charge customers a fee. Most of the Department's services are included in proprietary funds. Like the government-wide financial statements, they report all assets (including capital assets), liabilities (short- and long-term), revenues, expenses, gains and loss. They report the services included in the business-type activities in the government-wide financial statements. The Department uses one kind of proprietary fund, Enterprise Funds, to account for services provided to external customers.

Fiduciary funds are used to account for resources the Department holds for others. The Department uses one kind of fiduciary fund, Agency Funds, to hold medical insurance premiums collected from other state agencies and other public bodies until the premiums are remitted to the insurance carriers. The Department is responsible for seeing that the assets in these funds are spent for their intended purpose. The finances of these funds are reported in a separate statement of fiduciary net assets. The resources of these funds are excluded from the government-wide financial statements because they cannot be used to finance the Department's operations.

Budgetary Comparisons. In addition to the MD&A, GASB 34 requires budgetary comparison schedules for the general fund and for each major special revenue fund that has a legally adopted annual budget to be presented as Required Supplementary Information (RSI). The budgetary comparison schedules should present both the original and the final appropriated budgets for the reporting period, as well as the actual inflows, outflows and balances, stated on the government's budgetary basis.

As required by the Office of the State Auditor under 2.2.2 NMAC (the "Audit Rule"), the Statements of Revenues and Expenditures – Budget and Actual are also presented. This information is provided at the approved budget level to demonstrate compliance with legally authorized appropriations.

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2013**

Notes to the Financial Statements. The notes to the financial statements consist of narratives and explanatory financial schedules that provide information that is essential to a user's understanding of the basic financial statements.

Financial Analysis of the Department as a Whole

Net Position: Table A-1 summarizes the Department's net position for the fiscal year ending June 30, 2013. Total Department net position for fiscal year 2013 was \$388,947,159. The negative unrestricted balance is the result of the large deficit net position of the risk funds offsetting the positive amounts of capital assets. It should be noted that the risk fund amounts shown reflect actuarially estimated losses from claims incurred that the affected fund(s) would need to pay using the fund's June 30, 2013 asset balance. Such reporting is required by GASB 10. The New Mexico Risk Management Advisory Board recommends maintaining the asset balances at a minimum of at least 50 percent of the actuarially estimated losses. Therefore, any fund amount that has less than 100 percent in assets to pay its estimated incurred losses, and other liabilities, will show a deficit net asset balance. As a result of the recording of actuarially estimated losses from claims, the following risk funds have negative fund balances:

Public Liability Fund	\$ 70,590,102
Workers' Compensation Retention	\$ 37,629,489
State Unemployment Compensation	\$ 7,047,937

The larger part of the Department's restricted net position (62%) represents payments that are restricted for insurance claims. They represent insurance premiums and contributions collected from other state agencies, local public bodies and employees that can only be spent to insure these entities and their employees against loss.

The \$359,608,031 deficit of unrestricted net position indicates there are not sufficient resources on hand to pay claims against the state in future years.

While the Department had an increase in net position for the year in the amount of \$32,315,241, there was a restatement of \$63,702,949 which decreased beginning net position. Refer to Note 18 for additional information.

The Department's claims reserve for risk management decreased this year by approximately \$71.8 million. These reserves are recorded based on calculations provided by an actuary.

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2013**

**Table A-1
The Department's Net Position**

	<u>FY 2013</u>	<u>FY 2012</u>	<u>Amount Change</u>	<u>Total % Change</u>
Assets:				
Current assets	\$ 125,272,513	\$ 156,833,560	\$ (31,561,047)	-20%
Capital assets, net	<u>509,280,855</u>	<u>572,825,235</u>	<u>(63,544,380)</u>	-11%
Total assets	<u>\$ 634,553,368</u>	<u>\$ 729,658,795</u>	<u>\$ (95,105,427)</u>	-13%
Liabilities:				
Current liabilities	\$ 139,003,357	\$ 125,151,770	\$ 13,851,587	11%
Long-term liabilities	<u>106,602,852</u>	<u>184,172,158</u>	<u>(77,569,306)</u>	-42%
Total liabilities	<u>245,606,209</u>	<u>309,323,928</u>	<u>(63,717,719)</u>	-21%
Net position:				
Net investment in capital assets	509,280,855	572,825,235	(63,544,380)	-11%
Restricted	239,274,335	314,114,754	(74,840,419)	-24%
Unrestricted	<u>(359,608,031)</u>	<u>(466,605,122)</u>	<u>106,997,091</u>	-23%
Total net position	<u>388,947,159</u>	<u>420,334,867</u>	<u>(31,387,708)</u>	-7%
Total liabilities and net position	<u>\$ 634,553,368</u>	<u>\$ 729,658,795</u>	<u>\$ (95,105,427)</u>	-13%

Changes in Net Position: The Department's change in net position for fiscal year FY13 was an increase of \$32,315,241 (Table A-2). The change is the difference between total program revenues, general revenues and the total cost of all programs and services. The increase indicates the Department's financial position as a whole has improved from the previous fiscal year, primarily because the claims reserve during the year was less than last year. However, the restatement to capital assets reduced beginning net position by \$63.7 million.

A major portion of the Department's revenues came from program revenues. Approximately 91% of total revenues came from service fees and insurance premiums collected from all state agencies, participating local public bodies and their employees. Only 9% of the Department's revenues came from general revenue appropriations, taxes and other general revenues.

Of the total cost of all programs and services of \$481,162,813, 73% of this amount, or \$352,428,682, is for group health and disability, dental, vision, long-term care and life insurance premiums paid to insurance companies on behalf of employees, former employees and

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2013**

retirees. \$71,363,440, or 15%, of the total cost pertains to public liability administration and claims payments.

**Table A-2
Changes in the Department's Net Position**

	<u>FY 2013</u>	<u>FY 2012</u>	<u>Amount Change</u>	<u>Total % Change</u>
Revenues:				
Program revenues:				
Capital grants and contributions	\$ -	\$ 4,705,871	\$ (4,705,871)	-100%
Charges for services	8,402,837	7,415,116	987,721	13%
Risk management	<u>457,824,689</u>	<u>397,894,813</u>	<u>59,929,876</u>	15%
Total program revenues	466,227,526	410,015,800	56,211,726	14%
General revenues	<u>47,250,528</u>	<u>44,059,138</u>	<u>3,191,390</u>	7%
Total revenues	<u>513,478,054</u>	<u>454,074,938</u>	<u>59,403,116</u>	13%
Expenses:				
Employee group benefits	352,428,682	358,577,915	(6,149,233)	-2%
Risk management	71,363,440	169,040,068	(97,676,628)	-58%
Other expenses	<u>57,370,691</u>	<u>46,518,725</u>	<u>10,851,966</u>	23%
Total expenses	<u>481,162,813</u>	<u>574,136,708</u>	<u>(92,973,895)</u>	-16%
Change in net position	32,315,241	(120,061,770)	152,377,011	-127%
Net position, beginning of year	<u>420,334,867</u>	<u>540,396,637</u>	<u>(120,061,770)</u>	-22%
Restatement	<u>(63,702,949)</u>	<u>-</u>	<u>(63,702,949)</u>	-
Net position, beginning of year, Restated	<u>356,631,918</u>	<u>540,396,637</u>	<u>(183,764,719)</u>	-
Net position, end of year	<u>\$ 388,947,159</u>	<u>\$ 420,334,867</u>	<u>\$ (31,387,708)</u>	-7%

Governmental Activities: Revenues of governmental activities decreased to \$39,223,408. This decrease was largely due to decreases in ARRA funding as the final year of the program was 2012, and the Department also disposed of assets which created a significant loss over the prior year.

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2013**

The cost of all governmental activities this year increased to \$40,779,475. This increase was due to more capital projects activity during the current year.

Business-type Activities: The cost of all business-type activities was \$440,383,338. Those who benefited from the services funded 100% of the cost.

Financial Analysis of the Department's Funds

Governmental Funds: Combined revenues and net financing sources from governmental fund types totaled \$56,881,967, an increase of 6% from the preceding year.

Expenditures from governmental funds totaled \$60,097,124, an increase of 20% from fiscal year 2012. The increase in total governmental expenditures is primarily due to an increase in capital project activity during the current year.

Proprietary Funds: Operating revenues and net non-operating revenues of the Department's business-type activities increased 17% from the previous year to \$474,254,646. The increase in revenues was due to an increase in premiums for risk liability funds.

Expenses decreased 19% to \$440,383,338. The decrease occurred primarily because of decreases to claims reserves for the risk liability funds.

Budget Comparisons

General Fund: For FY13, total actual revenues of \$13,389,452 varied from budgeted revenues by \$4,852. Total expenditures were \$361,387 under budget due to proper budgeting by the Department throughout the year.

Capital Assets and Debt Management

Capital Assets: The Department's investment in capital assets decreased by \$63,544,380 in 2013 (see Note 6), primarily due to a restatement to beginning capital assets (see Note 18).

Long-term Debt: The Department does not hold any long-term debt but does hold long-term liabilities consisting of compensated absences payable and claims payable of \$106,602,852.

Items Affecting the Department's Future

The Department's management believes that its future financial position could be affected by the following trends or events:

Rates for Services: The Department's business-type activities, as measured by the Statement of Revenues, Expenses and Changes in Net Assets for the major enterprise funds: Public Liability, Worker's Compensation Retention, State Transportation Pool, Group Insurance Premium Stabilization and Other Enterprise Funds, show that four of the five funds have an operating loss. This indicates that the service rates as developed with the current methods are not sufficient to recover actual costs of the programs.

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2013**

The largest loss was in Public Liability. Rate adjustments and reallocation of costs, which are currently in process, will help eliminate these losses.

The Risk Management Advisory Board recommends that all Risk Management funds maintain 50 percent soundness (Assets/Estimated Outstanding Losses). The risk public liability fund based on total assets of \$39,776,839 and estimated outstanding losses and other liabilities of \$110,366,941 shows the public liability fund to be 36% sound.

Requests for Information

This financial report is designed to provide a general overview of the Department's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Department's Administrative Services Division, PO Box 6850, Santa Fe, New Mexico 87502.

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF NET POSITION
June 30, 2013

	<u>Primary Government</u>		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
CURRENT ASSETS			
Investment in the State General Fund			
Investment Pool	\$ 30,492,093	\$ 87,004,600	\$ 117,496,693
Receivables:			
Interest receivable	1,897	7,710	9,607
Accounts/trade receivable	-	6,673,447	6,673,447
Allowance for doubtful accounts	-	(5,746,795)	(5,746,795)
Due from (to) other funds	1,977	(1,558,051)	(1,556,074)
Due from other agencies	8,108,619	133	8,108,752
Other assets	-	428	428
Inventories	-	286,455	286,455
Total current assets	38,604,586	86,667,927	125,272,513
NON-CURRENT ASSETS			
Capital assets	908,610,119	29,925,193	938,535,312
Less accumulated depreciation	(403,548,985)	(25,705,472)	(429,254,457)
Total non-current assets	505,061,134	4,219,721	509,280,855
 TOTAL ASSETS	 <u>\$ 543,665,720</u>	 <u>\$ 90,887,648</u>	 <u>\$ 634,553,368</u>

	Primary Government		
	Governmental Activities	Business-type Activities	Total
LIABILITIES			
CURRENT LIABILITIES			
Bank overdraft	\$ 1,192,931	\$ 332,968	\$ 1,525,899
Claims payable	-	106,099,863	106,099,863
Accounts payable	10,003,932	19,772,958	29,776,890
Unearned revenue	66,823	-	66,823
Accrued payroll	153,928	162,671	316,599
Due to State General Fund	365,835	-	365,835
Due to other agencies	220,536	3,897	224,433
Compensated absences	<u>255,525</u>	<u>371,490</u>	<u>627,015</u>
Total current liabilities	12,259,510	126,743,847	139,003,357
LONG-TERM LIABILITIES			
Claims payable	-	106,575,237	106,575,237
Compensated absences	<u>12,817</u>	<u>14,798</u>	<u>27,615</u>
Total liabilities	12,272,327	233,333,882	245,606,209
NET POSITION			
Net investment in capital assets	505,061,134	4,219,721	509,280,855
Restricted for:			
Insurance/claims	-	212,675,100	212,675,100
Capital projects	26,599,235	-	26,599,235
Unrestricted	<u>(266,976)</u>	<u>(359,341,055)</u>	<u>(359,608,031)</u>
Total net position	<u>531,393,393</u>	<u>(142,446,234)</u>	<u>388,947,159</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 543,665,720</u>	<u>\$ 90,887,648</u>	<u>\$ 634,553,368</u>

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF ACTIVITIES
Year Ended June 30, 2013

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
Program support	\$ 6,776,978	\$ 1,852,053	\$ -	\$ -
Procurement services	3,096,226	-	-	-
Business office space management/maintenance	75,043	-	-	-
Capital projects	30,831,228	-	-	-
Total governmental activities	40,779,475	1,852,053	-	-
BUSINESS-TYPE ACTIVITIES				
Program support	8,877,282	1,407,615	-	-
Risk management	71,363,440	147,696,391	-	-
Employee group benefits	352,428,682	310,128,298	-	-
Transportation services	7,713,934	5,143,169	-	-
Total business-type activities	440,383,338	464,375,473	-	-
TOTAL	\$ 481,162,813	\$ 466,227,526	\$ -	\$ -

<u>Net (Expenses) Revenue and Changes in Net Position</u>			
<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>	
<u>Activities</u>	<u>Activities</u>		
\$ (4,924,925)	\$ -	\$ (4,924,925)	
(3,096,226)	-	(3,096,226)	
(75,043)	-	(75,043)	
<u>(30,831,228)</u>	<u>-</u>	<u>(30,831,228)</u>	
(38,927,422)	-	(38,927,422)	
-	(7,469,667)	(7,469,667)	
-	76,332,951	76,332,951	
-	(42,300,384)	(42,300,384)	
<u>-</u>	<u>(2,570,765)</u>	<u>(2,570,765)</u>	
-	23,992,135	23,992,135	
<u>(38,927,422)</u>	<u>23,992,135</u>	<u>(14,935,287)</u>	
GENERAL REVENUES			
Transfers:			
Intra-agency transfers	(184,424)	184,424	-
Severance tax bond proceeds	36,946,103	-	36,946,103
Appropriations - General Fund	13,384,600	9,440,000	22,824,600
Reversions - General Fund	(583,801)	-	(583,801)
Other State agency transfers, net	5,109,531	-	5,109,531
Interest income	50,497	210,467	260,964
Gain (loss) on disposal	(17,658,559)	44,282	(17,614,277)
Other miscellaneous revenue	307,408	-	307,408
Total general revenues	<u>37,371,355</u>	<u>9,879,173</u>	<u>47,250,528</u>
CHANGE IN NET POSITION	(1,556,067)	33,871,308	32,315,241
NET POSITION, BEGINNING	596,652,409	(176,317,542)	420,334,867
RESTATEMENT	<u>(63,702,949)</u>	<u>-</u>	<u>(63,702,949)</u>
NET POSITION, BEGINNING, RESTATED	<u>532,949,460</u>	<u>(176,317,542)</u>	<u>356,631,918</u>
NET POSITION, ENDING	<u>\$ 531,393,393</u>	<u>\$ (142,446,234)</u>	<u>\$ 388,947,159</u>

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2013

	Major Funds				
	17400	86300	89200		
	General Fund	Capital Buildings Repair Fund	STB Projects	Other Governmental Funds	Total Governmental
ASSETS					
Investment in the State General Fund Investment Pool	\$ 1,747,745	\$ 15,999,534	\$ -	\$ 12,744,814	\$ 30,492,093
Receivables:					
Interest	-	1,569	-	328	1,897
Due from other funds	4,025	-	26,529	-	30,554
Due from other agencies	3,679	-	6,521,416	1,583,524	8,108,619
Other assets	-	-	-	-	-
Inventories	-	-	-	-	-
TOTAL ASSETS	\$ 1,755,449	\$ 16,001,103	\$ 6,547,945	\$ 14,328,666	\$ 38,633,163
LIABILITIES					
Bank overdraft	\$ -	\$ -	\$ 1,104,670	\$ 88,261	\$ 1,192,931
Accounts payable	1,243,076	2,067,718	5,443,275	1,249,863	10,003,932
Unearned revenue	-	-	-	66,823	66,823
Accrued payroll	149,107	-	-	4,821	153,928
Due to other funds	2,048	-	-	26,529	28,577
Due to State General Fund	359,852	-	-	5,983	365,835
Due to other agencies	-	217,052	-	3,484	220,536
Total liabilities	1,754,083	2,284,770	6,547,945	1,445,764	12,032,562
FUND BALANCE					
Nonspendable:					
Inventories	-	-	-	-	-
Restricted	-	13,716,333	-	12,882,902	26,599,235
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	1,366	-	-	-	1,366
Total fund balances	1,366	13,716,333	-	12,882,902	26,600,601
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,755,449	\$ 16,001,103	\$ 6,547,945	\$ 14,328,666	\$ 38,633,163

The accompanying notes are an integral part of the financial statements.

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2013**

TOTAL FUND BALANCE - GOVERNMENTAL FUNDS (GOVERNMENTAL FUND BALANCE SHEET)	\$ 26,600,601
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Amounts reported for governmental activities in the Statement of Net Position are different because:

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

The cost of capital assets is:	908,610,119
Accumulated depreciation is:	<u>(403,548,985)</u>

Total capital assets	505,061,134
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Long-term and certain other liabilities, such as compensated absences, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.	<u>(268,342)</u>
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NET POSITION OF GOVERNMENTAL ACTIVITIES - (STATEMENT OF NET POSITION)	<u>\$ 531,393,393</u>
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The accompanying notes are an integral part of the financial statements.

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended June 30, 2013**

	<u>Major Funds</u>				
	17400	86300	89200	Other	Total
	<u>General</u>	<u>Capital</u>	<u>STB</u>	<u>Governmental</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Buildings</u>	<u>Projects</u>	<u>Funds</u>	<u>Fund</u>
	<u>Repair Fund</u>	<u>Other</u>	<u>Projects</u>	<u>Funds</u>	<u>Governmental</u>
REVENUES					
Service fees/premiums	\$ -	\$ 376,962	\$ -	\$ 1,475,091	\$ 1,852,053
Interest income	-	41,976	-	8,521	50,497
Other	4,852	5,788	-	296,768	307,408
	<u>4,852</u>	<u>424,726</u>	<u>-</u>	<u>1,780,380</u>	<u>2,209,958</u>
Total revenues	<u>4,852</u>	<u>424,726</u>	<u>-</u>	<u>1,780,380</u>	<u>2,209,958</u>
EXPENDITURES					
Current expenditures:					
Personnel services	4,632,454	-	-	254,387	4,886,841
Employee benefits	1,756,831	-	-	102,432	1,859,263
In-state travel	2,068	-	-	1,011	3,079
Out-of-state travel	448	-	-	-	448
Maintenance and repairs	2,387,927	2,517,847	192,424	40,560	5,138,758
Supplies	457,168	-	12,770	17,874	487,812
Contractual services	491,080	-	-	156,828	647,908
Operating costs	3,076,905	-	18,542	779	3,096,226
Other costs	-	-	-	71,516	71,516
Capital outlay	33,908	7,310,175	29,367,357	7,193,833	43,905,273
	<u>12,838,789</u>	<u>9,828,022</u>	<u>29,591,093</u>	<u>7,839,220</u>	<u>60,097,124</u>
Total expenditures	<u>12,838,789</u>	<u>9,828,022</u>	<u>29,591,093</u>	<u>7,839,220</u>	<u>60,097,124</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES					
	<u>(12,833,937)</u>	<u>(9,403,296)</u>	<u>(29,591,093)</u>	<u>(6,058,840)</u>	<u>(57,887,166)</u>
OTHER FINANCING SOURCES (USES)					
Severance tax bond proceeds	-	-	30,096,493	6,849,610	36,946,103
Intra-agency transfer	(184,424)	(74,907)	(505,400)	580,307	(184,424)
Transfers:					
General and special appropriations	13,384,600	-	-	-	13,384,600
Reversions to State General Fund	(577,818)	-	-	(5,983)	(583,801)
Other State agency transfers, net	-	4,909,531	-	200,000	5,109,531
	<u>12,622,358</u>	<u>4,834,624</u>	<u>29,591,093</u>	<u>7,623,934</u>	<u>54,672,009</u>
NET OTHER FINANCING SOURCES (USES)	<u>12,622,358</u>	<u>4,834,624</u>	<u>29,591,093</u>	<u>7,623,934</u>	<u>54,672,009</u>
NET CHANGE IN FUND BALANCES					
	(211,579)	(4,568,672)	-	1,565,094	(3,215,157)
FUND BALANCES, BEGINNING OF YEAR	<u>212,945</u>	<u>18,285,005</u>	<u>-</u>	<u>11,317,808</u>	<u>29,815,758</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,366</u>	<u>\$ 13,716,333</u>	<u>\$ -</u>	<u>\$ 12,882,902</u>	<u>\$ 26,600,601</u>

The accompanying notes are an integral part of the financial statements.

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2013**

**NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS
(STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES)** \$ (3,215,157)

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

In the Statement of Activities, certain operating expenses - compensated absences (sick and annual leave) are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are measured by the amounts of financial resources used (essentially, the amounts actually paid). The increase in the liabilities for the fiscal year was: (30,874)

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In the current period, these amounts were:

Capital outlay	43,905,273
Depreciation expense	<u>(24,556,750)</u>
Excess of capital outlay over depreciation expense	19,348,523

The Statement of Activities reports the loss on the sale of equipment, while the the Statement of Revenues, Expenditures and Changes in Fund Balance reports the proceeds. The reconciling amount is the difference: (17,658,559)

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES
(STATEMENT OF ACTIVITIES)** \$ (1,556,067)

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES -
MAJOR GOVERNMENTAL FUND - BUDGET AND ACTUAL
(BUDGETARY BASIS)
Year Ended June 30, 2013

	GENERAL FUND - TOTAL			
	Budgeted Amounts		Actual Amounts	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Appropriations	\$ 13,384,600	\$ 13,384,600	13,384,600	\$ -
Other revenues	-	-	4,852	4,852
Total revenue	13,384,600	13,384,600	<u>13,389,452</u>	<u>\$ 4,852</u>
FUND BALANCE	-	-		
TOTAL REVENUES, OTHER FINANCING SOURCES AND FUND BALANCE BUDGETED	<u>\$ 13,384,600</u>	<u>\$ 13,384,600</u>		
EXPENDITURES				
Personal services and employee benefits	\$ 7,274,300	\$ 6,662,300	6,389,285	\$ 273,015
Contractual services	312,300	546,700	491,080	55,620
Other	5,596,500	5,987,100	5,958,423	28,677
Other financing uses	201,500	188,500	184,425	4,075
TOTAL EXPENDITURES	<u>\$ 13,384,600</u>	<u>\$ 13,384,600</u>	<u>13,023,213</u>	<u>\$ 361,387</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FUNDING SOURCES (USES)			366,239	
NON-BUDGETED RECONCILING ITEMS				
Reversions to State General Fund			<u>(577,818)</u>	
NET CHANGE IN FUND BALANCE			(211,579)	
FUND BALANCE, BEGINNING OF YEAR			<u>212,945</u>	
FUND BALANCE, END OF YEAR			<u>\$ 1,366</u>	

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF NET POSITION - ENTERPRISE FUNDS
June 30, 2013

	35700	35900
	Public	Workers'
	Liability	Compensation
	Liability	Retention
	<hr/>	<hr/>
ASSETS		
Current assets:		
Investment in the		
State General Fund Investment Pool	\$ 39,771,758	\$ 12,960,042
Receivables:		
Interest receivable	3,681	1,084
Accounts/trade receivable	606,857	1,075,446
Allowance for doubtful accounts	(605,457)	(1,075,115)
Due from other funds	-	-
Due from other agencies	-	-
Other assets	-	-
Inventories	-	-
	<hr/>	<hr/>
Total current assets	39,776,839	12,961,457
Non-current assets:		
Capital assets	-	-
Accumulated depreciation	-	-
	<hr/>	<hr/>
Total non-current assets	-	-
	<hr/>	<hr/>
TOTAL ASSETS	\$ 39,776,839	\$ 12,961,457
	<hr/>	<hr/>

36500 State Transportation Pool	75200 Group Insurance Premium Stabilization	Other Enterprise Funds	Total
\$ 5,239,017	\$ 14,337,849	\$ 14,695,934	\$ 87,004,600
-	2,265	680	7,710
813,288	-	4,177,856	6,673,447
(89,862)	-	(3,976,361)	(5,746,795)
12,701	-	1,220,056	1,232,757
133	-	-	133
214	-	214	428
-	-	286,455	286,455
5,975,491	14,340,114	16,404,834	89,458,735
25,365,738	-	4,559,455	29,925,193
(23,396,368)	-	(2,309,104)	(25,705,472)
1,969,370	-	2,250,351	4,219,721
<u>\$ 7,944,861</u>	<u>\$ 14,340,114</u>	<u>\$ 18,655,185</u>	<u>\$ 93,678,456</u>

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF NET POSITION - ENTERPRISE FUNDS (CONTINUED)**

June 30, 2013

	35700	35900	
	Public	Workers'	
	Liability	Compensation	
	<u> </u>	<u> </u>	
LIABILITIES			
Current liabilities:			
Bank overdraft	\$ -	\$ -	
Claims payable	40,832,620	11,913,437	
Accounts payable	1,903,857	58,209	
Unearned revenue	-	-	
Accrued payroll	-	-	
Due to other funds	-	-	
Due to other agencies	-	-	
Compensated absences	-	-	
	<u> </u>	<u> </u>	
Total current liabilities	42,736,477	11,971,646	
Long-term liabilities:			
Claims payable	67,630,464	38,619,300	
Compensated absences	-	-	
	<u> </u>	<u> </u>	
TOTAL LIABILITIES	<u>110,366,941</u>	<u>50,590,946</u>	
NET POSITION			
Invested in capital assets	-	-	
Restricted for:			
Insurance/claims	108,463,084	50,532,737	
Unrestricted	<u>(179,053,186)</u>	<u>(88,162,226)</u>	
Total net position	<u>(70,590,102)</u>	<u>(37,629,489)</u>	
TOTAL LIABILITIES AND NET POSITION	<u>\$ 39,776,839</u>	<u>\$ 12,961,457</u>	

36500 State Transportation Pool	75200 Group Insurance Premium Stabilization	Other Enterprise Funds	Total
\$ -	\$ -	\$ 332,968	\$ 332,968
-	42,250,043	11,103,763	106,099,863
311,021	17,170,868	329,003	19,772,958
-	-	-	-
24,066	-	138,605	162,671
2,104	1,556,074	1,232,630	2,790,808
-	-	3,897	3,897
49,684	-	321,806	371,490
<u>386,875</u>	<u>60,976,985</u>	<u>13,462,672</u>	<u>129,534,655</u>
-	-	325,473	106,575,237
774	-	14,024	14,798
<u>387,649</u>	<u>60,976,985</u>	<u>13,802,169</u>	<u>236,124,690</u>
1,969,370	-	2,250,351	4,219,721
-	42,250,043	11,429,236	212,675,100
<u>5,587,842</u>	<u>(88,886,914)</u>	<u>(8,826,571)</u>	<u>(359,341,055)</u>
<u>7,557,212</u>	<u>(46,636,871)</u>	<u>4,853,016</u>	<u>(142,446,234)</u>
<u>\$ 7,944,861</u>	<u>\$ 14,340,114</u>	<u>\$ 18,655,185</u>	<u>\$ 93,678,456</u>

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - ENTERPRISE FUNDS
Year Ended June 30, 2013

	35700	35900
	Public	Workers'
	Liability	Compensation
	<u> </u>	<u>Retention</u>
OPERATING REVENUES		
Service for premiums	\$ 114,306,804	\$ 18,511,572
Interest income	103,099	34,190
Other revenue	<u> </u>	<u> </u>
Total operating revenues	<u>114,409,903</u>	<u>18,545,762</u>
OPERATING EXPENSES		
Personnel services	-	-
Employee benefits	-	-
In-state travel	742	-
Out-of-state travel	-	-
Maintenance and repairs	33,679	21,221
Supplies	35,283	36,085
Contractual services	12,568,532	1,290,916
Depreciation	-	-
Operating costs	1,203,789	12,058
Other costs	<u>20,940,283</u>	<u>24,374,603</u>
Total operating expenses	<u>34,782,308</u>	<u>25,734,883</u>
Operating income/(loss)	<u>79,627,595</u>	<u>(7,189,121)</u>
NON-OPERATING REVENUES (EXPENSES)		
Gain on disposal of capital assets	-	-
Intra-agency transfers	(4,006,600)	(1,080,000)
Transfers:		
General appropriations	-	-
Other state agency transfers	-	-
Other state funds	<u> </u>	<u> </u>
Total non-operating revenues (expenses)	<u>(4,006,600)</u>	<u>(1,080,000)</u>
CHANGE IN NET POSITION	75,620,995	(8,269,121)
NET POSITION (DEFICIT), BEGINNING	<u>(146,211,097)</u>	<u>(29,360,368)</u>
NET POSITION (DEFICIT), ENDING	<u>\$ (70,590,102)</u>	<u>\$ (37,629,489)</u>

36500 State Transportation Pool	75200 Group Insurance Premium Stabilization	Other Enterprise Funds	Total
\$ 4,420,180	\$ 297,260,212	\$ 29,684,909	\$ 464,183,677
-	49,298	23,880	210,467
69,426	-	122,370	191,796
<u>4,489,606</u>	<u>297,309,510</u>	<u>29,831,159</u>	<u>464,585,940</u>
871,687	-	4,947,639	5,819,326
588,741	-	1,941,384	2,530,125
8,850	-	16,279	25,871
1,042	-	8,137	9,179
1,446,224	-	120,497	1,621,621
63,939	37,091	246,985	419,383
-	18,373,659	5,074,051	37,307,158
1,511,731	-	160,298	1,672,029
2,680,543	-	20,434,983	24,331,373
924	320,491,861	839,602	366,647,273
<u>7,173,681</u>	<u>338,902,611</u>	<u>33,789,855</u>	<u>440,383,338</u>
<u>(2,684,075)</u>	<u>(41,593,101)</u>	<u>(3,958,696)</u>	<u>24,202,602</u>
44,282	-	-	44,282
(291,180)	(1,569,067)	7,131,271	184,424
-	9,240,000	200,000	9,440,000
-	-	-	-
-	-	-	-
<u>(246,898)</u>	<u>7,670,933</u>	<u>7,331,271</u>	<u>9,668,706</u>
(2,930,973)	(33,922,168)	3,372,575	33,871,308
<u>10,488,185</u>	<u>(12,714,703)</u>	<u>1,480,441</u>	<u>(176,317,542)</u>
<u>\$ 7,557,212</u>	<u>\$ (46,636,871)</u>	<u>\$ 4,853,016</u>	<u>\$ (142,446,234)</u>

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS
Year Ended June 30, 2013

	35700	35900
	Public	Workers'
	Liability	Compensation
	Retention	
	<u> </u>	<u> </u>
OPERATING ACTIVITIES		
Fees received	\$ 114,957,311	\$ 18,547,768
Other income	-	-
Cash paid to suppliers	(115,533,171)	(17,590,163)
Cash paid to employees	<u>-</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u>(575,860)</u>	<u>957,605</u>
NON-CAPITAL FINANCING ACTIVITIES		
Appropriation from/reversion to State General Fund	-	-
Transfers	<u>(4,006,600)</u>	<u>(1,080,000)</u>
Net cash provided by (used in) non-capital financing activities	<u>(4,006,600)</u>	<u>(1,080,000)</u>
CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	-	-
Proceeds from the sale of capital assets	-	-
Capital lease and expenditures	<u>-</u>	<u>-</u>
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH	(4,582,460)	(122,395)
CASH, BEGINNING OF YEAR	<u>44,354,218</u>	<u>13,082,437</u>
CASH, END OF YEAR	<u>\$ 39,771,758</u>	<u>\$ 12,960,042</u>

36500 State Transportation Pool	75200 Group Insurance Premium Stabilization	Other Enterprise Funds	Total
\$ 4,406,872	\$ 297,314,699	\$ 32,582,299	\$ 467,808,949
69,426	-	-	69,426
(4,242,289)	(328,572,960)	(31,850,623)	(497,789,206)
(1,491,933)	-	(7,069,608)	(8,561,541)
<u>(1,257,924)</u>	<u>(31,258,261)</u>	<u>(6,337,932)</u>	<u>(38,472,372)</u>
-	9,240,000	200,000	9,440,000
(291,180)	(1,569,067)	7,131,270	184,423
<u>(291,180)</u>	<u>7,670,933</u>	<u>7,331,270</u>	<u>9,624,423</u>
(9,649)	-	(167,150)	(176,799)
80,446	-	-	80,446
-	-	-	-
<u>70,797</u>	<u>-</u>	<u>(167,150)</u>	<u>(96,353)</u>
(1,478,307)	(23,587,328)	826,188	(28,944,302)
<u>6,717,324</u>	<u>37,925,177</u>	<u>13,869,746</u>	<u>115,948,902</u>
<u>\$ 5,239,017</u>	<u>\$ 14,337,849</u>	<u>\$ 14,695,934</u>	<u>\$ 87,004,600</u>

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS (CONTINUED)
Year Ended June 30, 2013

	35700	35900
	Public	Workers'
	Liability	Compensation
	Retention	
	<hr/>	<hr/>
RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH FROM OPERATING ACTIVITIES		
Operating income (loss)	79,627,595	(7,189,121)
Adjustments:		
Depreciation	-	-
Decrease (increase) in assets:		
Accounts receivable and due from other agencies and funds	38,119	2,006
Inventories	-	-
Other assets	-	-
Increase (decrease) in liabilities:		
Claims payable	(80,750,863)	8,248,325
Accounts payable and due to other agencies and funds	509,289	(103,605)
Accrued expenses	-	-
Accrued compensated absences	-	-
	<hr/>	<hr/>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ (575,860)	\$ 957,605

36500 State Transportation Pool	75200 Group Insurance Premium Stabilization	Other Enterprise Funds	Total
(2,684,075)	(41,593,101)	(3,958,696)	24,202,602
1,511,731	-	160,298	1,672,029
(13,308)	5,189		32,006
-	-	3,141,884	3,141,884
-	-	32,661	32,661
-	(22,983,391)	(1,433,388)	(96,919,317)
(40,766)	33,313,042	(4,100,107)	29,577,853
(34,196)	-	(234,091)	(268,287)
2,690	-	53,506	56,196
<u>\$ (1,257,924)</u>	<u>\$ (31,258,261)</u>	<u>\$ (6,337,933)</u>	<u>\$ (38,472,373)</u>

The accompanying notes are an integral part of the financial statements.

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS
June 30, 2013**

	<u>Agency Funds</u>
ASSETS	
Investment in the State General Fund Investment Pool	\$ 943,437
Due from other funds	<u>1,556,074</u>
TOTAL ASSETS	<u>\$ 2,499,511</u>
LIABILITIES	
Accounts payable	\$ 1,009,765
Deposits held in custody for others	<u>1,489,746</u>
TOTAL LIABILITIES	<u>\$ 2,499,511</u>

The accompanying notes are an integral part of the financial statements.

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 1 – DEFINITION OF REPORTING ENTITY

The State of New Mexico General Services Department (Department) was created to increase the efficiency and responsiveness of New Mexico State Government by consolidating certain governmental functions within a single department and by providing support services for other governmental entities. Specific programs accomplish a number of services, including building maintenance and security; transportation; capital projects and improvements; central purchasing; and printing.

The financial reporting entity, as defined by GASB Statements 14 and 39, consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. This definition of the reporting entity is based primarily on the notion of financial accountability as the "cornerstone of all financial reporting in government".

The chief executive of the Department is the Secretary, who is appointed by the Governor of New Mexico and is a member of the Governor's cabinet. The Department is included in the State's reporting entity. These financial statements include all funds over which the Department Secretary has oversight responsibility. The functions of the Department are administered through the following divisions: Building Services, Administrative Services, Property Control, Risk Management, State Purchasing and Transportation. Overall support is provided by the Administrative Services Division and the Office of the Secretary.

The Department had no component units during the year ended June 30, 2013.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates in Preparing Financial Statements

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.

Financial Reporting Entity

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. Pronouncements of the Financial Accounting Standards Board (FASB) issued after November 30, 1989, are not applied in the preparation of the financial statements of the proprietary fund type in accordance with GASB No. 20. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards,

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of these accounting policies are described below.

Government-wide Financial Statements

The government-wide financial statements, i.e., the statement of net position and the statement of activities, report information on all of the non-fiduciary funds of the Department and exclude fiduciary funds. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The components of net position are invested in capital assets, net of related debt, if applicable, restricted and unrestricted.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items are reported as general revenues. Indirect expenses are allocated to other costs.

Separate financial statements are provided for governmental funds and proprietary (enterprise) funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary (enterprise) funds and the fiduciary funds financial statements. 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 revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences are recorded only when payment is due.

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the Department first uses restricted net assets.

Fund financial statements report detailed information about the Department. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

In applying the “susceptible to accrual” concept to intergovernmental revenues pursuant to GASB No. 33 (as it relates to non-exchange and exchange transactions), the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenues when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met, under most circumstances, should be reported as advances by the provider and deferred revenue by the recipient. Derived tax revenues (gas, motor vehicle) are included as revenue when the underlying transaction takes place. Any non-exchange transactions (including grants, taxes and contributions) are not recognized until they are measurable or reasonably estimable.

Proprietary (enterprise) funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The accounts of the Department are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance/net position, revenues and expenditures/expenses. The various funds are summarized by type in the accompanying financial statements.

The following fund types are used by the Department:

Governmental-type Funds – Governmental-type funds are those through which most governmental functions of the Department are financed. The acquisition, use and balances of the Department’s expendable available financial resources and the related liabilities (except those accounted for in enterprise funds) are accounted for through governmental-type funds. Governmental fund types have fund balance, classified as follows: nonspendable, restricted, committed, assigned and unassigned. The measurement focus is upon determination of changes in financial position rather than upon net income determination. The following are the government fund types:

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2013**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

General Fund - The General Fund is the general operating fund of the Department. It is used to account for the general operations of the Department in carrying out its specific functions. The primary source of revenue for the General Fund is State appropriations. The General Fund exists through the annual budget approval.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects or debt service) that are restricted or committed to expenditures for specific purposes.

Capital Projects Funds – Capital Projects funds are used to account for financial resources that are restricted, committed or assigned to be used for the acquisition or construction of major capital facilities.

Major governmental-type funds in addition to the general fund include:

Capital Buildings Repair Fund – A capital projects fund used to account for repairs, remodeling and equipping of capitol buildings and adjacent lands, and to repair or replace building machinery and building equipment located in the capitol building.

Severance Tax Bond (STB) Projects - A capital projects fund used to account for the acquisition, improvement, alteration or reconstruction of long-term assets.

The governmental-type funds identified below did not have budget authority for the fiscal year, nor did they have any financial activity or balances. Because of this, they have not been included for presentation in the financial statements.

<u>Fund No.</u>	<u>Description</u>
89000	American Recovery and Reinvestment Act
36400	Laws of 2004
30600	Laws of 2003
24900	Laws of 2002
76600	Laws of 2000

Business-type Funds – Enterprise funds are used to account for the Department's ongoing activities where the intent of the State is that the costs and expenses, including depreciation, of providing goods and services to other departments or agencies of the governmental unit or to other unrelated governmental units, on a continuing basis, be financed or recovered primarily through user or customer charges. Pronouncements of the Financial Accounting Standards Board (FASB) issued after November 30, 1989, are not applied in the preparation of the financial statements of the proprietary fund type in accordance with GASB No. 20. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Major enterprise-type funds include:

Public Liability – provides liability insurance for state agencies and their employees and for any local public body participating in the fund and pays claims and judgments under the certificate of coverage.

Workers' Compensation Retention – accounts for the purchase and administration of workers' compensation insurance for employees of state agencies.

State Transportation Pool – provides transportation for all state agencies in the Santa Fe and Albuquerque, New Mexico areas.

Group Insurance Premium Stabilization –accounts for premiums collected under the *Consolidated Omnibus Budget Reconciliation Act (COBRA)* from former employees of the Department who have elected to continue their health insurance coverage with the Department's carrier.

Fiduciary Funds (Agency Funds) – These funds are used to account for assets held by the Department as an agent for individuals, private organizations, other governments and/or other funds. Agency funds are custodial in nature and do not involve measurement of results of operations.

During the year, the Department established a new fiduciary fund titled Governor's Residence Preservation Fund. This fund will account for monies received and disbursed for the Governor's Residence Advisory Commission, which shall be administratively attached to the Department.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position 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 (expense/expenditure) until then. The Department did not have any items that qualified for reporting in this category as of June 30, 2013.

In addition to liabilities, the statement of financial 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 an inflow of resources (revenue) until that time. The Department did not have any items that were required to be reported in this category as of June 30, 2013.

Budgetary Data

Per the General Appropriation Act, Laws of 2010, Chapter 6, Section 3, item M, "For the purpose of administering the General Appropriation Act of 2010 and approving operating budgets, the state of New Mexico shall follow the modified accrual basis of accounting for

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

governmental funds in accordance with the manual of model accounting practices issued by the department of finance and administration.” The budget is adopted on the modified accrual basis of accounting, except for accounts payable accrued at the end of the fiscal year that do not get paid by the statutory deadline per Section 6-10-4 NMSA 1978. Those accounts payable that do not get paid timely must be paid out of the next year’s budget. Encumbrances related to single year appropriations lapse at year end. Appropriation periods are sometimes for periods in excess of twelve months (multiple-year appropriations). When multiple-year appropriation periods lapse, the authority for the budget also lapses and encumbrances can no longer be charged to that budget. The legal level of budgetary control is at the appropriation unit level.

The unexpended State General Fund appropriation to the Department lapses at year end and reverts to the State General Fund. The Department may also receive funding from various special appropriations. The language of a particular special appropriation determines when it lapses and whether or not unexpended balances revert to the State General Fund.

Cash Deposits

The Department is required by statute to deposit any money received into the State Fiscal Agent Bank. Balances maintained at the end of the day are pooled and invested by the State Treasurer in repurchase agreements. The State Treasurer issues separate financial statements that disclose the collateral pledged to secure these deposits, categories of risk involved and the market value of purchased investments, which may differ from the cash deposited by the Department. Cash and cash equivalents are defined to include cash on deposit with banks or the State Treasurer.

Receivables

All accounts/trade receivables represent uncollected insurance premiums or fees for services rendered to external parties. Receivables in excess of 120 days comprise the Department’s allowance for doubtful accounts.

Inventories

Inventories are valued at the lower of cost (first-in, first-out method) or market and consist of expendable supplies held for consumption and raw materials used in the printing department.

The Department also maintains an inventory of Federal Surplus Property for resale to other state departments or agencies, local government or not-for-profit organizations. This inventory is not recorded on the financial statements of the Department as it is not considered to be a financial or capital resource.

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Restricted Resources

When an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the Department's policy to use restricted resources first. When expenditures/expenses are incurred for purposes for which unrestricted (committed, assigned and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the Department's policy to spend committed resources first.

Capital Assets and Depreciation

Capital assets are stated at cost or estimated cost, and include land, buildings, computer software, property and equipment constructed with Department resources and acquired with State appropriations and government grant funds. They also include certain land and buildings transferred from other departments and agencies of the State of New Mexico under the provisions of the Property Control Act (Section 12-6-10, NMSA 1978). Capitalized asset additions made through governmental funds are recorded as capital outlay expenditures in the respective funds and recorded in the government-wide financial statements. Items greater than \$5,000 are capitalized.

Capital assets acquired by enterprise funds are reported in those funds at cost or at estimated fair value at the time of donation. Provisions for depreciation are computed using the straight-line method and charged to operations of enterprise funds over the assets' estimated useful lives using the straight-line method. Estimated useful lives are 10 to 40 years for building and improvements; 3 to 6 years for motor vehicles and motorized equipment; and 4 to 20 years for furniture, machinery and equipment.

Capital assets for the governmental activities are recorded on the government-wide financial statements and depreciated over the same estimated useful lives using the straight-line method.

Compensated Absences

A total of 12 days of sick leave per year may be accumulated by each employee. Employees are paid for accumulated sick leave annually, or upon retirement or other termination, but only for accumulated sick leave in excess of 600 hours. Annually, employees may be paid 50% of the excess over 600 hours, up to a maximum of 120 hours. Upon retirement or termination, employees are paid 50% of the excess over 600 hours, up to a maximum of 400 hours. Employees may accrue from 10 days to 20 days of annual leave per year, depending on the years of service. Employees are paid for the accumulated annual leave upon retirement or other termination. A maximum of 30 days of annual leave may be accumulated by each employee.

Compensated absences liabilities are computed using the regular pay and termination pay rates in effect at the financial statement date, plus an additional amount for compensation-related payments such as social security and Medicare taxes computed using rates in effect at that date.

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Transactions

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made for it that are properly applicable to another fund are recorded as expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

On fund financial statements, receivables and payables (resulting from short-term interfund loans and as a result of transactions between the funds) are classified as "Due to/from other funds."

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are various charges between the business-type activities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Restricted Expendable Net Position

GASB Pronouncement Number 46 states that net position is legally enforceable, meaning that a government can be compelled by an external party (i.e., citizen, public interest group, etc.) to use resources only as created by the legislation. The three categories of net position are net investment in capital assets, restricted and unrestricted.

Restricted expendable net position is created to either 1) satisfy legal covenants that require a portion of the fund balance be segregated, or 2) identify the portion of the fund balance that is not appropriated for future expenditures. Specific restricted net position accounts are summarized below:

Restricted for insurance/claims – Amounts to be paid in the future on risk management insurance and various other claims.

Restricted for capital projects – Resources that must be used to acquire capital assets.

Subsequent Events

Management evaluated subsequent events through December 13, 2013, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2013, but prior to December 13, 2013, that provided additional evidence about conditions that existed at June 30, 2013 have been recognized in the financial statements for the year ended June 30, 2013. Events or transactions that provided evidence about conditions that did not exist at June 30, 2013, but arose before the financial statements were available to be issued, have not been recognized in the financial statements for the year ended June 30, 2013.

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 3 – STATE GENERAL FUND INVESTMENT POOL

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

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

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

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

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

In FY 2012, management of DFA recorded a loss contingency of \$101.7 million in the State General Fund based on its estimate of the effect of issues related to the reconciliation of the Pool, that estimate is still current. Because no specific loss amount is determinable, consistent with generally accepted accounting principles, the amount accrued is the minimum amount that management considers to be probable. Ultimately, the loss could exceed the amount accrued, perhaps by a substantial amount.

The Department reviews fund level cash activity on a regular basis to mitigate misstatement.

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2013**

NOTE 4 - INTEREST IN THE STATE GENERAL FUND INVESTMENT POOL

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

At June 30, 2013, the Department had the following invested in the State General Fund Investment Pool:

State General Fund Investment Pool: \$118,440,130

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 a means of managing exposure to fair value losses arising from increasing interest rates. This policy is reviewed and approved annually by the New Mexico State Board of Finance.

Credit Risk

The New Mexico State Treasurer pools are not rated.

For additional GASB 40 disclosure information regarding cash held by the New Mexico State Treasurer, the reader should see the separate audit report for the New Mexico State Treasurer's Office for the fiscal year ended June 30, 2013.

The fair value of the investments maintained at the New Mexico State Treasurer's Office are as follows at June 30, 2012:

Investment	Balance, June 30, 2013
New Mexico State Treasurer's Office	
General Fund Investment Pool (Primary Government)	\$ 117,496,693
Agency Fund Total	943,437
Total	\$ 118,440,130

Pledged Collateral (Custodial Credit Risk)

In accordance with Section 6-10-7 NMSA 1978, deposits of public monies are to be collateralized in an aggregate equal to 50% of deposits in excess of Federal Deposit Insurance Corporation (FDIC) insurance coverage. Deposits are exposed to custodial risks if they are not covered by depository insurance.

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 4 - INTEREST IN THE STATE GENERAL FUND INVESTMENT POOL (CONTINUED)

Detail of pledged collateral specific to this agency is unavailable because the bank commingles pledged collateral for all state funds it holds. However, the State Treasurer's Office collateral bureau monitors pledged collateral for all state funds held by state agencies in such "authorized" bank accounts.

The New Mexico State Treasurer's office is responsible to ensure that all accounts have collateral at the required level for amounts in excess of FDIC coverage. The New Mexico State Treasurer issues separate financial statements, which disclose the collateral pledged to secure these deposits, the categories of risk involved, and the market value of purchased investments, which may differ from the cash deposited by the Department.

NOTE 5 - INTERFUND AND INTERAGENCY RECEIVABLES AND PAYABLES

Interfund receivables and payables as of June 30, 2013 are as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Governmental Funds:		
Major Governmental Funds:		
General Fund – 17400	\$ 4,025	\$ 2,048
STB Projects - 89200	26,529	-
Other Governmental Funds	<u>-</u>	<u>26,529</u>
Total Governmental Funds	<u>30,554</u>	<u>28,577</u>
Enterprise Funds:		
Major Enterprise Funds:		
State Transportation Pool – 36500	12,701	2,104
Group Insurance Premium Stabilization – 75200	-	1,556,074
Other Enterprise Funds	<u>1,220,056</u>	<u>1,232,630</u>
Total Enterprise Funds	<u>1,232,757</u>	<u>2,790,808</u>
Fiduciary Funds		
Insurance Carrier Premiums - 56100	<u>1,556,074</u>	<u>-</u>
Total All Funds	<u>\$ 2,819,385</u>	<u>\$ 2,819,385</u>

All interfund transactions are expected to be settled within one year.

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 5 - INTERFUND AND INTERAGENCY RECEIVABLES AND PAYABLES (CONTINUED)

Due from other state agencies as of June 30, 2013 are as follows:

Due From Other State Agencies	Fund No.	Amount	Due From Agency/Purpose	Fund No.	Amount
General Fund	17400	\$ 3,679	EMNRD - MOU	19900	\$ 3,679
Tobacco Tax - DOH Facilities	28500	987,757	NMFA - Project Revenue	38500	987,757
TSD State Transportation	36500	133	State Personnel Office	18100	133
Laws of 2006	64100	298,999	DFA - Severance Tax Draw	1900	298,999
STB Projects	89200	6,521,416	DFA - Severance Tax Draw	1900	6,521,416
Capital Projects 1995 Appropriation	97000	107,131	EMNRD - MOU	19900	107,131
Capital Projects 1995 Appropriation	97000	<u>189,637</u>	Department of Homeland Security	79500	<u>189,637</u>
Total All Funds		<u>\$ 8,108,752</u>			<u>\$ 8,108,752</u>

Due to other state agencies as of June 30, 2013 are as follows:

Due To Other State Agencies	Fund No.	Amount	Due To Agency/ Purpose	Fund No.	Amount
General Fund	17400	359,852	DFA - Reversions/Warrants	85300	\$ 359,852
Capital Buildings Repair Fund	86300	217,052	Legislative Council	07500	217,052
Program Support	19700	3,856	DFA - MOU Korte	01000	3,856
Surplus Property - TSD	36000	41	TRD - A/R Deposit	83200	41
Procurement Assistance	58500	5,983	State General Fund - Reversion	85300	5,983
Laws of 2006	64100	3,236	NMFA - Refund from Prior Year	64105	3,236
Laws of 2006	64100	<u>248</u>	DFA - FY12 State Dated Warrants	85300	<u>248</u>
Total All Funds		<u>\$ 590,268</u>			<u>\$ 590,268</u>

The purpose of all interfund and interagency balances is to record the services that the Department provides to other funds and agencies (e.g., information processing, printing, insurance, etc.)

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 6 - CAPITAL ASSETS

<u>Governmental-type Activities</u>	<u>Balance, June 30, 2012</u>	<u>Restatement</u>
Building and improvements	\$ 629,962,538	\$ -
Machinery	1,136,151	-
Construction in progress	<u>294,269,823</u>	<u>(63,702,949)</u>
Total	<u>925,368,512</u>	<u>(63,702,949)</u>
Accumulated depreciation:		
Buildings and improvements	(378,168,861)	-
Machinery and equipment	<u>(858,248)</u>	<u>-</u>
Total accumulated depreciation	<u>(379,027,109)</u>	<u>-</u>
Land	<u>20,732,716</u>	<u>-</u>
Net total	<u>\$ 567,074,119</u>	<u>\$ (63,702,949)</u>

Depreciation expense of \$24,556,750 was charged to the Capital Projects function.

\$3,271,497 was reclassified from land amongst buildings and improvements and machinery.

\$177,461,487 was reclassified from construction in progress amongst buildings and improvements, land, and machinery as projects were completed.

Balance June 30, 2012 Restated	Additions	Transfers	Deletions	Balance, June 30, 2013
\$ 629,962,538	\$ -	\$ 178,144,635	\$ (17,533,004)	\$ 790,574,169
1,136,151	66,106	1,778,260	(160,429)	2,820,088
<u>230,566,874</u>	<u>43,800,295</u>	<u>(177,461,487)</u>	<u>-</u>	<u>96,905,682</u>
<u>861,665,563</u>	<u>43,866,401</u>	<u>2,461,408</u>	<u>(17,693,433)</u>	<u>890,299,939</u>
(378,168,861)	(24,348,932)	-	34,874	(402,482,919)
<u>(858,248)</u>	<u>(207,818)</u>	<u>-</u>	<u>-</u>	<u>(1,066,066)</u>
<u>(379,027,109)</u>	<u>(24,556,750)</u>	<u>-</u>	<u>34,874</u>	<u>(403,548,985)</u>
<u>20,732,716</u>	<u>38,872</u>	<u>(2,461,408)</u>	<u>-</u>	<u>18,310,180</u>
<u>\$ 503,371,170</u>	<u>\$ 19,348,523</u>	<u>\$ -</u>	<u>\$ (17,658,559)</u>	<u>\$ 505,061,134</u>

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 6 – CAPITAL ASSETS (CONTINUED)

Business-type Activities Capital Assets

A summary of changes in business-type activities capital assets follows:

<u>Business-type Activities</u>	<u>Balance, June 30, 2012</u>	<u>Additions</u>	<u>Adjustments/ Deletions</u>	<u>Balance, June 30, 2013</u>
Aircraft, autos and trucks	\$ 29,657,717	\$ 16,269	\$ (1,889,157)	\$ 27,784,829
Buildings and improvements	1,798	-	-	1,798
Furniture and fixtures	49,843	-	-	49,843
Machinery and equipment	<u>1,974,109</u>	<u>167,150</u>	<u>(52,536)</u>	<u>2,088,723</u>
Total	<u>31,683,467</u>	<u>183,419</u>	<u>(1,941,693)</u>	<u>29,925,193</u>
Accumulated depreciation:				
Aircraft, autos and trucks	(24,060,756)	(1,628,328)	1,889,157	(23,799,927)
Buildings and improvements	(1,750)	(48)	-	(1,798)
Furniture and fixtures	(49,843)	-	-	(49,843)
Machinery and equipment	<u>(1,820,002)</u>	<u>(43,653)</u>	<u>9,751</u>	<u>(1,853,904)</u>
Total accumulated depreciation	<u>(25,932,351)</u>	<u>(1,672,029)</u>	<u>1,898,908</u>	<u>(25,705,472)</u>
Net total	<u>\$ 5,751,116</u>	<u>\$ (1,488,610)</u>	<u>\$ (42,785)</u>	<u>\$ 4,219,721</u>

Depreciation expense of \$1,611,962 was charged to Transportation Services and \$60,067 was charged to Program Support.

NOTE 7 - LEASES (ENTERPRISE FUNDS)

Operating Leases

Lease expenditures/expenses for the year ended June 30, 2013 totaled approximately \$2,000,000. Lease expense for vehicles approximates the revenue earned by the Department for leasing these vehicles to other state agencies. The Department has other lease agreements with related expenses reflected in the individual funds' operating costs.

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 7 - LEASES (ENTERPRISE FUNDS) (CONTINUED)

The following is a schedule by year of future minimum lease payments for various buildings, copiers and vehicles at June 30, 2013:

Years ending June 30:

2014	\$ 1,841,020
2015	298,169
2016	140,505
2017	4,559
2018 and thereafter	<u>1,945</u>
Total	<u>\$ 2,286,198</u>

NOTE 8 - INSURANCE CLAIMS PAYABLE (ENTERPRISE FUNDS)

The State of New Mexico manages its risks internally and sets aside assets for claim settlement through Enterprise Funds within the Risk Management Division of the General Services Department. The Risk Management Division (RMD) services all claims for risk of loss to which the State is exposed, including general liability, property and casualty, workers' compensation, employee health and accident, and unemployment compensation. The Department has reinsurance for liability and civil rights claims in the amounts of \$1,050,000 each. Civil rights claims may exceed this amount and the Department has reinsurance from \$5,000,000 to \$10,000,000. The Department would then be liable for the remaining above \$10,000,000. All funds, agencies and authorities of the State participate in Risk Management. Risk Management allocates the cost of providing claims servicing and claims payment by charging a "premium" to each fund, agency or public authority based on claims history and exposure of each participant. The charge considers recent trends in actual claims experience of the State as a whole, and makes provision for catastrophic losses.

Risk Management fund liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are reevaluated annually to take into consideration recent settled claims, the frequency of claims and other economic and social factors.

Insurance claims payable of \$212,675,100 were reported by the Department through June 30, 2013. The amounts of the liabilities are determined by independent actuarial consultants to the Department. The total liability is shown in the accompanying financial statements at the present value of the payments, computed at 3.50% annual rate (except for long-term disability liability, which is computed at 5% annual rate) between June 30, 2013 and the date the claims are ultimately expected to be paid.

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 8 - INSURANCE CLAIMS PAYABLE (ENTERPRISE FUNDS) (CONTINUED)

Insurance claims payable presented are actuarial computed estimates of the costs of administering, defending and settling claims for events that had occurred as of the year end. Since these estimates are based on historical information and various statistical measures, actual amounts paid may vary significantly from the amount estimated by the fund actuaries and reported herein.

The basis of estimating the liabilities for unpaid claims is found in the independent actuarial report. The following shows the reconciliation of changes in the unpaid claims in the Risk Management Funds, which are stated at present value:

Fund	Balance, June 30, 2012	Incurred (net of Actuarial Provision)	Payments	Balance, June 30, 2013
35300 State Unemployment	\$ 9,080,079	\$ (1,148,741)	\$ (1,977)	\$ 7,929,361
35400 Local Public Body	2,043,018	749,596	(1,048,155)	1,744,459
35600 Public Property Reserve	1,725,120	4,172,718	(4,148,279)	1,749,559
35700 Public Liability	189,213,947	(59,976,771)	(20,774,092)	108,463,084
35800 Surety Bond	14,407	(5,301)	(3,249)	5,857
35900 Workers' Compensation	42,284,412	25,264,851	(17,016,526)	50,532,737
75200 Group Insurance Premium	<u>40,154,259</u>	<u>319,178,277</u>	<u>(317,082,493)</u>	<u>42,250,043</u>
Net total	<u>\$ 284,515,242</u>	<u>\$ 288,234,629</u>	<u>\$(360,074,771)</u>	<u>\$ 212,675,100</u>

Fund	Balance, June 30, 2011	Incurred (net of Actuarial Provision)	Payments	Balance, June 30, 2012
35300 State Unemployment	\$ 8,382,387	\$ 11,745,723	\$ (11,048,031)	\$ 9,080,079
35400 Local Public Body	1,676,477	2,812,541	(2,446,000)	2,043,018
35600 Public Property Reserve	2,316,206	4,981,840	(5,572,926)	1,725,120
35700 Public Liability	91,139,876	115,466,251	(17,392,180)	189,213,947
35800 Surety Bond	14,407	10,000	(10,000)	14,407
35900 Workers' Compensation	35,031,480	24,601,307	(17,348,375)	42,284,412
75200 Group Insurance Premium	<u>39,688,438</u>	<u>321,222,860</u>	<u>(320,757,039)</u>	<u>40,154,259</u>
Net total	<u>\$ 178,249,271</u>	<u>\$ 480,840,522</u>	<u>\$(374,574,551)</u>	<u>\$ 284,515,242</u>

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 9 - COMPENSATED ABSENCES

The compensated absence liability of the governmental funds has typically been liquidated by the general fund in prior years. The changes in accrued compensated absences for governmental activities are as follows:

<u>Balance, June 30, 2012</u>	<u>Increase</u>	<u>Adjustments/ (Decrease)</u>	<u>Balance, June 30, 2013</u>	<u>Amounts Due within One Year</u>
\$ 237,468	\$ 373,879	\$ (343,005)	\$ 268,342	\$ 255,525

The changes in accrued compensated absences for business-type activities are as follows:

<u>Balance, June 30, 2012</u>	<u>Increase</u>	<u>Adjustments/ (Decrease)</u>	<u>Balance, June 30, 2013</u>	<u>Amounts Due within One Year</u>
\$ 330,092	\$ 460,357	\$ (404,161)	\$ 386,288	\$ 371,490

NOTE 10 - JOINT POWERS AGREEMENTS

The Department entered into an agreement with the Office of the Governor for cooperative funding and representation for collective bargaining cases and negotiations. The Office of the Governor designated the State Personnel Director as the Governor's designee for preparation for collective bargaining negotiations. The State Personnel Office will administer a contract with a consultant to assess the current collective bargaining agreements, develop a strategy for negotiating the new agreements, and provide assistance with other labor issues. The term of this agreement is from May 23, 2011 and will remain in effect until terminated by the Office of the Governor, in writing.

The General Services Department Risk Management Division (GSD RMD) provides legal representation of New Mexico Corrections Department (NMCD) employees by NMCD's Office of General Counsel in those pro se cases for which NMCD employers are provided by GSD RMD pursuant to the New Mexico Tort Claims Act and GSD RMD's certificate of insurance with NMCD. The term is from July 1, 2012 to June 30, 2016, and is funded with \$987,384 in other state funds. The Department will pay any settlements authorized and any judgments resulting from trials.

The General Services Department Property Control Division entered into an agreement with the Department of Cultural Affairs in FY13 and FY14, wherein monies will be transferred for the maintenance of Fort Stanton Cemetery on the Fort Stanton Historic Site.

The General Services Department Property Control Division entered into an agreement with New Mexico Department of Workforce Solutions (NMDWS) for NMDWS to provide funding and financial administration to provide project administration for certain projects identified by NMDWS.

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2013**

NOTE 10 - JOINT POWERS AGREEMENTS (CONTINUED)

The General Services Department Office of the Secretary entered into an agreement with the Department of Finance and Administration (DFA), wherein DFA will provide public information officer and records custodian duties and GSD will reimburse DFA 50% with respect to the costs of employment.

Participants	Responsible Party	Description	Term	Total Amount	Current Year Amount	Books Recorded
Office of the Governor/ GSD	State Personnel Office	See above	May 2011 until terminated by the Office of the Governor	\$ 682		GSD
NMCD/GSD	GSD	See above	July 2012 – June 2016	\$987,384	\$237,780	GSD
GSD/DCA	DCA	See above	July 2012 – June 2014	\$ 20,000		GSD
GSD/NMDWS	GSD	See above	04/22/2013 – 09/30/2013	\$100,000		NMDWS
GSD/DFA	DFA	See above	02/14/2011 until terminated by DFA	\$ 50,385		DFA

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 11 – OPERATING TRANSFERS

Transfers between funds for the year ended June 30, 2013 are as follows:

Fund Description	Fund #	Transfer In	Transfer Out	Net
Governmental Funds				
General Fund - Major	17400	-	(184,424)	(184,424)
Capital Buildings Repair Fund - Major	86300	-	(74,907)	(74,907)
STB Projects Fund - Major	89200	-	(505,400)	(505,400)
Tobacco Tax: DOH Facilities Fund	28500	-	(134,625)	(134,625)
Administrative Costs Fund	12500	134,625	-	134,625
Administrative Costs Fund	12500	74,907	-	74,907
Administrative Costs Fund	12500	505,400	-	505,400
Total Governmental Funds		714,932	(899,356)	(184,424)
Enterprise Funds				
State Transportation Fund - Major	36500	-	(291,180)	(291,180)
Public Liability Fund - Major	35700	-	(4,006,600)	(4,006,600)
Workers' Compensations Retention Fund-Major	35900	-	(1,080,000)	(1,080,000)
Group Insurance Premium Stabilization - Major	75200	-	(1,569,067)	(1,569,067)
Risk Management Operating Fund	35200	-	(2,777,548)	(2,777,548)
Risk Management Operating Fund	35200	15,542	-	15,542
Risk Management Operating Fund	35200	60,100	-	60,100
Risk Management Operating Fund	35200	515,000	-	515,000
Risk Management Operating Fund	35200	4,006,600	-	4,006,600
Risk Management Operating Fund	35200	31,700	-	31,700
Risk Management Operating Fund	35200	1,080,000	-	1,080,000
Risk Management Operating Fund	35200	1,569,067	-	1,569,067
State Unemployment Compensation Fund	35300	-	(15,542)	(15,542)
LPB Unemployment Compensation	35400	-	(60,100)	(60,100)
Public Property Reserve	35600	-	(515,000)	(515,000)
Surety Bond	35800	-	(31,700)	(31,700)
Surplus Property Bureau Fund	36000	-	(31,532)	(31,532)
Program Support Fund	19700	184,424	-	184,424
Program Support Fund	19700	2,777,548	-	2,777,548
Program Support Fund	19700	29,700	-	29,700
Program Support Fund	19700	31,532	-	31,532
Program Support Fund	19700	291,180	-	291,180
Program Support Fund	19700	-	(632)	(632)
Program Support Fund	19700	50,539	-	50,539
State Aircraft Bureau Fund	41700	632	(29,700)	(29,068)
State Printing Fund	80600	-	(50,539)	(50,539)
Total Enterprise Funds		10,643,564	(10,459,140)	184,424
Total		\$ 11,358,496	\$ (11,358,496)	\$ -

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2013**

NOTE 11 – OPERATING TRANSFERS (CONTINUED)

Transfers from (to) other state agencies for the year ended June 30, 2013 are as follows:

State Agency	Agency Number	86300 Capital Projects Repair Fund	97000 Laws of 2005	Governmental Funds Subtotal
Dept. of Finance and Administration	34100	\$ 4,909,531	\$ -	\$ 4,909,531
NM Department of Workforce Solutions	63100	-	100,000	100,000
NM Department of Information and Technology	36100	-	100,000	100,000
		<u>\$ 4,909,531</u>	<u>\$ 200,000</u>	<u>\$ 5,109,531</u>

NOTE 12 - REVERSIONS

The Department had reversions listed in the operating statements for fiscal years as follows:

		<u>Year of Appropriation</u>	
17400	General Fund - Capital Projects	2013	\$ 217,966
17400	General Fund	2013	359,852
58500	Procurement Assistance Program	2013	<u>5,983</u>
			<u>\$ 583,801</u>

In accordance with statute Section 6-5-10(A) NMSA 1978, all unreserved, undesignated fund balances in reverting funds and accounts as reflected in the SHARE system as of June 30 shall revert. A total of \$217,966 was paid to the State General Fund during the year. \$365,835 is payable at June 30, 2013, and due by September 30, 2013. This payable may be adjusted within 45 days of the release of this audit by the New Mexico Office of the State Auditor.

NOTE 13 - 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

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 13 - PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION
(CONTINUED)

the plan. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, New Mexico 87504-2123. The report is also available on PERA's website at www.pera.state.nm.us.

Funding Policy

Plan members are required to contribute 8.92% of their gross salary. The Department is required to contribute 15.09% of the gross covered salary. The contribution requirements of plan members and the Department are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The Department's contributions to PERA for the fiscal years ending June 30, 2013, 2012 and 2011 were \$1,689,687, \$1,389,755 and \$1,192,896, respectively, which equal the amount of the required contributions for each fiscal year.

NOTE 14 - 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 the event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

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

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 14 - POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN
(CONTINUED)

Funding Policy

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

The 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 members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3,4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2013, 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 Legislature 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, 2013, 2012 and 2011 were \$193,678, \$189,027 and \$158,049, respectively, which equal the required contributions for each year.

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2013**

NOTE 15 - COMMITMENTS AND CONTINGENCIES

Litigation

The Department has been named as defendant in several lawsuits or complaints. Neither the final outcome nor the amount of potential loss from these cases is presently determinable. However, management estimates that the potential loss to the Department, if any, is not likely to be material to the Department's financial statements.

In addition, the Risk Management Division is named as defendant in several lawsuits or complaints. The cases outstanding at June 30, 2013, have been included in the actuary's determination of "claims payable."

Risk Management

The Department is exposed to various risks of loss for which the Department carries insurance with the State of New Mexico Risk Management Division (an enterprise fund within the Department). Coverage is provided for the following:

Workers' Compensation	General Liability
Civil Rights and Foreign Jurisdiction	Automobile
Aircraft	Property
Money and Securities	Employee Fidelity Bond
Health/Life	Short-term and Long-term Disability
Law Enforcement	Medical Malpractice

NOTE 16 - NET POSITION DEFICITS

The following funds had net position deficits at June 30, 2013:

Enterprise Funds:

35700	Public Liability	357	\$ 70,590,102
35900	Workers' Compensation Retention	359	\$ 37,629,489
35300	State Unemployment Compensation	353	\$ 7,047,937
80600	State Printing	806	\$ 14,935
75200	Group Insurance Premium Stabilization	752	\$ 46,636,871

The Public Liability, State Unemployment Compensation and Workers' Compensation Retention funds are Risk Management funds that include claims liabilities (see Note 8, Insurance Claims Payable) based on future actuarial estimated losses from claims incurred that the affected funds would need to pay using June 30, 2013 net position balances. Such reporting is required by GASB 10 *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*. The New Mexico Risk Management Advisory Board recommends maintaining the position balances at a minimum of at least 50 percent of the actuarial estimated losses. While the Public Liability and the State Unemployment Compensation funds are above 50 percent soundness, the Department is working on increasing insurance premium fees to help make the Workers' Compensation Retention fund reach this level.

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 17 – FUND BALANCE

In the governmental fund financial statements, fund balances are classified as:

Nonspendable – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes where constraints placed on the resources are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Legislative and Executive branches of the State.

Assigned – Amounts that are constrained by the Legislative and Executive branches' intent to be used for specific purposes or, in some cases, by legislation.

Unassigned – All amounts not included in other spendable classifications.

	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
86300 Capitol Building Repair Fund			
State Building Repair	\$ 13,716,333	\$ -	\$ -
12500 Administrative Costs			
Capital Projects	3,137,098	-	-
28600 Purchasing Division Fees			
Procurement Services	1,632,643	-	-
28700 Public Building Repair			
State Building Repair	2,399,226	-	-
78500 Property Control Reserve			
Capital Projects	3,797,433	-	-
28500 Tobacco Tax: DOH Facilities			
Capital Projects	1,717,550	-	-
97000 Laws of 2005			
Capital Projects	<u>198,952</u>	<u>-</u>	<u>-</u>
	<u>\$ 26,599,235</u>	<u>\$ -</u>	<u>\$ -</u>

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2013**

NOTE 18 – RESTATEMENT

The restatement is disclosed in order to display the flow of financial activity that cannot be stated elsewhere.

During the Department’s reconciliation process of capital assets this fiscal year, it was noted that construction in process for the year ending June 30, 2012 was overstated. Certain projects were never removed from construction in process, although they were completed and added to buildings and improvements. This created an overstatement of capital assets at the government wide financial statements.

As a result of these erroneous recordings of construction in process, the June 30, 2013 beginning net position for governmental activity was overstated by \$63,702,949.

Net position, beginning	\$ 596,652,409
Restatement	<u>(63,702,949)</u>
Net position, beginning, restated	<u>\$ 532,949,460</u>

NOTE 19 – NEW GASB POUNDNCEMENTS

Net Position

In June 2011, GASB issued GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* (GASB 63), effective for the Department’s fiscal year beginning July 1, 2012. GASB 63 modifies the presentation of deferred inflows and deferred outflows in the financial statements; it also limits the use of the term “deferred.” Implementation of GASB 63 had no effect on the Department’s net position or changes in net position for the fiscal year ended June 30, 2013.

The government-wide statements utilize a net position presentation categorized as follows:

Net investment in capital assets - This category reflects the portion of net position that are associated with capital assets less outstanding capital asset related debt.

Restricted net position - For the government-wide statement of net position, net position is reported as restricted when constraints placed on net position used are imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position - This category reflects net position of the Department not restricted for any project or other purpose.

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 19 – NEW GASB POUNDCEMENTS (CONTINUED)

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* (effective for period beginning after December 15, 2012). This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. The requirements of this Statement will improve financial reporting by clarifying the appropriate use of the financial statement elements deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. The Department is currently evaluating the impact GASB Statement 65 will have on the financial statements.

This information is an integral part of the accompanying financial statements.

SUPPLEMENTARY INFORMATION

GENERAL FUND DESCRIPTION

The General Fund (Fund 17400) is used to account for all resources traditionally associated with governments that are not required to be accounted for in another fund. The General Fund is a reverting fund and includes the following:

Purchasing Division

Property Control Division

Building Services Division

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
COMBINING BALANCE SHEET - BY FUND TYPE -
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2013**

	Special Revenue Funds	Capital Projects Funds	Total
ASSETS			
Investment in State General Fund			
Investment Pool	\$ 7,198,696	\$ 5,546,118	\$ 12,744,814
Receivables:			
Interest receivable	-	328	328
Due from other funds	-	-	-
Due from other agencies	-	1,583,524	1,583,524
Other assets	-	-	-
Inventories	-	-	-
TOTAL ASSETS	<u>\$ 7,198,696</u>	<u>\$ 7,129,970</u>	<u>\$ 14,328,666</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Bank overdraft	\$ -	\$ 88,261	\$ 88,261
Accounts payable	18,925	1,230,938	1,249,863
Unearned revenue	-	66,823	66,823
Accrued payroll	4,821	-	4,821
Due to other funds	-	26,529	26,529
Due to State General Fund	5,983	-	5,983
Due to other agencies	-	3,484	3,484
Total liabilities	<u>29,729</u>	<u>1,416,035</u>	<u>1,445,764</u>
FUND BALANCE			
Nonspendable:			
Inventories	-	-	-
Restricted	7,168,967	5,713,935	12,882,902
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	<u>7,168,967</u>	<u>5,713,935</u>	<u>12,882,902</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 7,198,696</u>	<u>\$ 7,129,970</u>	<u>\$ 14,328,666</u>

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - BY FUND TYPE -
 NON-MAJOR GOVERNMENTAL FUNDS
 Year Ended June 30, 2013**

	Special Revenue Funds	Capital Projects Funds	Total
REVENUES			
Service fees/premiums	\$ 1,475,091	\$ -	\$ 1,475,091
Interest income	-	8,521	8,521
Other	-	296,768	296,768
	<u>1,475,091</u>	<u>305,289</u>	<u>1,780,380</u>
Total revenues			
EXPENDITURES			
Current:			
Personnel services	254,387	-	254,387
Employee benefits	102,432	-	102,432
In-state travel	1,011	-	1,011
Out-of-state travel	-	-	-
Maintenance and repairs	-	40,560	40,560
Supplies	17,874	-	17,874
Contractual services	88,186	68,642	156,828
Operating costs	779	-	779
Other costs	68,215	3,301	71,516
Capital outlay	40,000	7,153,833	7,193,833
	<u>572,884</u>	<u>7,266,336</u>	<u>7,839,220</u>
Total expenditures			
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>902,207</u>	<u>(6,961,047)</u>	<u>(6,058,840)</u>

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - BY FUND TYPE -
 NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED)
 Year Ended June 30, 2013**

	Special Revenue Funds	Capital Projects Funds	Total
OTHER FINANCING SOURCES (USES)			
Severance tax bond proceeds	\$ -	\$ 6,849,610	\$ 6,849,610
Intra-agency transfer	714,932	(134,625)	580,307
Transfers:			
General appropriations	-	-	-
Reversions to State General Fund	(5,983)	-	(5,983)
Other state agency transfers	-	200,000	200,000
	708,949	6,914,985	7,623,934
Total other financing sources (uses)	708,949	6,914,985	7,623,934
NET CHANGE IN FUND BALANCES	1,611,156	(46,062)	1,565,094
FUND BALANCES, BEGINNING OF YEAR	5,557,811	5,759,997	11,317,808
FUND BALANCES, END OF YEAR	\$ 7,168,967	\$ 5,713,935	\$ 12,882,902

NON-MAJOR FUNDS

SPECIAL REVENUE FUNDS DESCRIPTIONS:

Administrative Costs Fund

The Administrative Costs Fund (Fund 12500, non-reverting FY04, Section 15-33-10 NMSA 1978) was created by the Laws of 2001, Chapter 319, for the purpose of accounting for Capital Projects overhead expenses. Transfers are made from Capital Projects to cover administrative costs of each project as expenses are incurred.

Purchasing Division Fees Fund

The Purchasing Division Fees Fund (Fund 28600, non-reverting) was created by the Laws of 1984, Chapter 65 (13-1-104, NMSA 1978) for the purpose of accounting for the collection and expenditure of registration fees for qualified vendors submitting bids to provide the State of New Mexico with tangible items of personal property, construction or services. Fees collected are expended for the actual, direct cost of furnishing copies of a public notice or invitation for bids to the prospective bidders.

Public Buildings Repair Fund

The Public Buildings Repair Fund (Fund 28700, non-reverting, Section 15-33-18 NMSA) was created by the Laws of 1996, Chapter 46, House bill 349 for the purpose of expenditure related to necessary repair, renovation and purchase of physical plant equipment for public buildings owned by the state and under the control of the Property Control Division. The fund shall consist of appropriations, building use fees, gifts, grants, donations and bequests.

Procurement Assistance Program Fund

The Procurement Assistance Program Fund (Fund 58500, reverting and non-reverting, 13-1-185 NMSA 1978) was established as a separate fund in fiscal year 1999. The purpose of separating this activity from the General Fund activities of the State Purchasing Division is to simplify accounting and reporting for its revenues, which include both vendor fees and a federal grant.

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUES FUNDS
June 30, 2013**

	12500	28600	28700	58500	
	Administrative	Purchasing	Public	Procurement	
	Costs	Division	Buildings	Assistance	Total
		Fees	Repair	Program	
ASSETS					
Investment in the State General Fund Investment Pool	\$ 3,146,152	\$ 1,647,334	\$ 2,399,226	\$ 5,984	\$ 7,198,696
Receivables:					
Interest receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other agencies	-	-	-	-	-
Other assets	-	-	-	-	-
Inventories	-	-	-	-	-
TOTAL ASSETS	<u>\$ 3,146,152</u>	<u>\$ 1,647,334</u>	<u>\$ 2,399,226</u>	<u>\$ 5,984</u>	<u>\$ 7,198,696</u>
LIABILITIES					
Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	9,054	9,871	-	-	18,925
Unearned revenue	-	-	-	-	-
Accrued payroll	-	4,820	-	1	4,821
Due to other funds	-	-	-	-	-
Due to State General Fund	-	-	-	5,983	5,983
Due to other agencies	-	-	-	-	-
Total liabilities	<u>9,054</u>	<u>14,691</u>	<u>-</u>	<u>5,984</u>	<u>29,729</u>
FUND BALANCES					
Nonspendable:					
Inventories	-	-	-	-	-
Restricted	3,137,098	1,632,643	2,399,226	-	7,168,967
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>3,137,098</u>	<u>1,632,643</u>	<u>2,399,226</u>	<u>-</u>	<u>7,168,967</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,146,152</u>	<u>\$ 1,647,334</u>	<u>\$ 2,399,226</u>	<u>\$ 5,984</u>	<u>\$ 7,198,696</u>

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - NON-MAJOR SPECIAL REVENUE FUNDS
 Year Ended June 30, 2013**

	12500 Administrative Costs	28600 Purchasing Division Fees	28700 Public Buildings Repair	58500 Procurement Assistance Program	Total
REVENUES					
Service fees/premiums	\$ -	\$ 1,414,185	\$ 60,906	\$ -	\$ 1,475,091
Interest income	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>-</u>	<u>1,414,185</u>	<u>60,906</u>	<u>-</u>	<u>1,475,091</u>
EXPENDITURES					
Current expenditures:					
Personnel services	-	254,387	-	-	254,387
Employee benefits	-	102,432	-	-	102,432
In-state travel	1,011	-	-	-	1,011
Out-of-state travel	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-
Supplies	13,926	3,948	-	-	17,874
Contractual services	40,400	47,786	-	-	88,186
Operating costs	779	-	-	-	779
Other costs	65,073	3,142	-	-	68,215
Capital outlay	-	40,000	-	-	40,000
Total expenditures	<u>121,189</u>	<u>451,695</u>	<u>-</u>	<u>-</u>	<u>572,884</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(121,189)	962,490	60,906	-	902,207
OTHER FINANCING SOURCES (USES)					
Severance tax bond proceeds	-	-	-	-	-
Intra-agency transfer	714,932	-	-	-	714,932
Transfers:					
General and special appropriations	-	-	-	-	-
Reversions to State General Fund	-	-	-	(5,983)	(5,983)
Other state agency transfers	-	-	-	-	-
Net other financing sources (uses)	<u>714,932</u>	<u>-</u>	<u>-</u>	<u>(5,983)</u>	<u>708,949</u>
NET CHANGE IN FUND BALANCES	593,743	962,490	60,906	(5,983)	1,611,156
FUND BALANCES, BEGINNING	<u>2,543,355</u>	<u>670,153</u>	<u>2,338,320</u>	<u>5,983</u>	<u>5,557,811</u>
FUND BALANCES, ENDING	<u>\$ 3,137,098</u>	<u>\$ 1,632,643</u>	<u>\$ 2,399,226</u>	<u>\$ -</u>	<u>\$ 7,168,967</u>

MAJOR AND NON-MAJOR FUNDS

CAPITAL PROJECTS FUNDS DESCRIPTIONS:

Capitol Buildings Repair Fund – Major Fund

The Capitol Buildings Repair Fund (Fund 86300) was created by the Laws of 2001, Chapter 19, Section 17, to account for repairs, remodeling and equipping of capitol buildings and adjacent lands and to repair or replace building machinery and building equipment located in capitol buildings. Financing is provided through transfers from the State Land Office and the State Investment Council of all income, including earnings on investments, derived from lands granted to the State by the U.S. Congress for legislative, executive and judicial public buildings. Balances in this fund are non-reverting. Two percent of this fund shall be transferred annually to a "state capital maintenance fund", hereby created, as a special perpetual fund for the upkeep and maintenance of the capitol renovation and capital grounds.

Property Control Reserve Fund

The Property Control Reserve Fund (Fund 78500) was created by the Laws of 1998, Chapter 58 (15-3-24.2, NMSA 1978) for the purpose of providing a reserve account from which the Property Control Division can purchase or construct state office buildings. Such buildings are to be purchased or built to alleviate the State's reliance on leased offices in Santa Fe, New Mexico. Fund revenues consist mainly of proceeds from the sale of property under the division's control. Expenditures are subject to legislative appropriations and balances are non-reverting.

Capital Improvement Funds (Various)

The Capital Improvement Funds are used to account for the acquisition, improvement, alteration or reconstruction of long-term assets, including land, buildings, machinery, furniture and equipment. The Capital Improvement Funds are appropriated to the Property Control Division for capital out projects specified by the Legislature in accordance with State statutes. The primary sources of financing for Capital Projects and Capital Improvement Funds are provided through State General Fund appropriations, severance tax bond proceeds and general obligation bond proceeds.

The Capital Improvement Funds include the following:

- 28500 2004 Tobacco Tax: DOH Facilities - reverting
- 97000 Laws of 2005 - reverting
- 35500 Laws of 1999 – reverting
- 64100 Laws of 2006 - reverting
- 93100 General Fund Projects - reverting
- 89200 Severance Tax Bond (STB) Projects (Major Fund) – reverting

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
June 30, 2013**

	78500	28500	97000	35500
	Property Control Reserve	Tobacco Tax: DOH Facilities	Laws of 2005	Laws of 1999
ASSETS				
Investment in the State General Fund Investment Pool	\$ 3,816,679	\$ 1,717,550	\$ 6,306	\$ -
Receivables:				
Interest receivable	328	-	-	-
Due from other funds	-	-	-	-
Due from other agencies	-	987,757	296,768	-
Other assets	-	-	-	-
Inventories	-	-	-	-
TOTAL ASSETS	<u>\$ 3,817,007</u>	<u>\$ 2,705,307</u>	<u>\$ 303,074</u>	<u>\$ -</u>
LIABILITIES				
Bank overdraft	\$ -	\$ -	\$ -	\$ -
Accounts payable	19,574	987,757	104,122	-
Unearned revenue	-	-	-	-
Accrued payroll	-	-	-	-
Due to other funds	-	-	-	-
Due to State General Fund	-	-	-	-
Due to other agencies	-	-	-	-
Total liabilities	<u>19,574</u>	<u>987,757</u>	<u>104,122</u>	<u>-</u>
FUND BALANCES (DEFICIT)				
Nonspendable:				
Inventories	-	-	-	-
Restricted	3,797,433	1,717,550	198,952	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>3,797,433</u>	<u>1,717,550</u>	<u>198,952</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,817,007</u>	<u>\$ 2,705,307</u>	<u>\$ 303,074</u>	<u>\$ -</u>

64100 Laws of 2006	93100 General Fund Projects	Total
\$ -	\$ 5,583	\$ 5,546,118
-	-	328
-	-	-
298,999	-	1,583,524
-	-	-
-	-	-
<u>\$ 298,999</u>	<u>\$ 5,583</u>	<u>\$ 7,129,970</u>
\$ 88,261	\$ -	\$ 88,261
113,902	5,583	1,230,938
66,823	-	66,823
-	-	-
26,529	-	26,529
-	-	-
3,484	-	3,484
<u>298,999</u>	<u>5,583</u>	<u>1,416,035</u>
-	-	-
-	-	5,713,935
-	-	-
-	-	-
-	-	-
<u>-</u>	<u>-</u>	<u>5,713,935</u>
<u>\$ 298,999</u>	<u>\$ 5,583</u>	<u>\$ 7,129,970</u>

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NON-MAJOR CAPITAL PROJECTS FUNDS**

Year Ended June 30, 2013

	78500 Property Control Reserve	28500 Tobacco Tax: DOH Facilities	97000 Laws of 2005	35500 Laws of 1999
REVENUES				
Service fees/premiums	\$ -	\$ -	\$ -	\$ -
Federal funds	-	-	-	-
Interest income	8,521	-	-	-
Other	-	-	296,768	-
TOTAL REVENUES	<u>8,521</u>	<u>-</u>	<u>296,768</u>	<u>-</u>
EXPENDITURES				
Current:				
Personnel services	-	-	-	-
Employee benefits	-	-	-	-
In-state travel	-	-	-	-
Out-of-state travel	-	-	-	-
Maintenance & repairs	-	-	-	-
Supplies	-	-	-	-
Contractual services	-	-	68,642	-
Operating costs	-	-	-	-
Other costs	-	-	-	3,301
Capital outlay	19,574	4,609,488	229,174	-
Total expenditures	<u>19,574</u>	<u>4,609,488</u>	<u>297,816</u>	<u>3,301</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(11,053)	(4,609,488)	(1,048)	(3,301)
OTHER FINANCING SOURCES (USES)				
Severance tax bond proceeds	32,605	4,762,991	-	-
Intra-agency transfers	-	(134,625)	-	-
Transfers:				
General appropriations	-	-	-	-
Reversions to State General Fund	-	-	-	-
Other State agency transfers	-	-	200,000	-
Total other financing sources (uses)	<u>32,605</u>	<u>4,628,366</u>	<u>200,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	21,552	18,878	198,952	(3,301)
BEGINNING FUND BALANCES	<u>3,775,881</u>	<u>1,698,672</u>	<u>-</u>	<u>3,301</u>
ENDING FUND BALANCES	<u>\$ 3,797,433</u>	<u>\$ 1,717,550</u>	<u>\$ 198,952</u>	<u>\$ -</u>

64100 Laws of 2006	93100 General Fund Projects	Total
\$ -	\$ -	\$ -
-	-	-
-	-	8,521
-	-	296,768
-	-	305,289
-	-	-
-	-	-
-	-	-
-	-	-
34,977	5,583	40,560
-	-	-
-	-	68,642
-	-	-
-	-	3,301
<u>2,019,037</u>	<u>276,560</u>	<u>7,153,833</u>
<u>2,054,014</u>	<u>282,143</u>	<u>7,266,336</u>
(2,054,014)	(282,143)	(6,961,047)
2,054,014	-	6,849,610
-	-	(134,625)
-	-	-
-	-	-
-	-	200,000
<u>2,054,014</u>	<u>-</u>	<u>6,914,985</u>
-	(282,143)	(46,062)
-	282,143	5,759,997
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,713,935</u>

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES -
NON-MAJOR SPECIAL REVENUE FUNDS - BUDGET AND ACTUAL
(BUDGETARY BASIS)
Year Ended June 30, 2013

	ADMINISTRATIVE COSTS			
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Service fees	\$ -	\$ -	\$ -	\$ -
Severance tax bond proceeds	-	-	-	-
Appropriations	-	-	-	-
Interest	-	-	-	-
Budgeted fund balance	-	-	-	-
Other revenues	-	-	-	-
Other financing sources	-	-	714,932	714,932
	-	-	714,932	\$ 714,932
Total revenue	-	-	714,932	\$ 714,932
Fund balance	1,063,900	444,400		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING FUND BALANCE BUDGETED				
	<u>\$ 1,063,900</u>	<u>\$ 444,400</u>		
EXPENDITURES				
Personnel services and employee benefits	\$ 619,500	\$ -	-	\$ -
Contractual services	285,300	285,300	40,400	244,900
Other costs	159,100	159,100	80,789	78,311
Other uses	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 1,063,900</u>	<u>\$ 444,400</u>	<u>121,189</u>	<u>\$ 323,211</u>
NET CHANGE IN FUND BALANCE			593,743	
FUND BALANCE, JULY 1, 2012			<u>2,543,355</u>	
FUND BALANCE, JUNE 30, 2013			<u>\$ 3,137,098</u>	

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES -
NON-MAJOR SPECIAL REVENUE FUNDS - BUDGET AND ACTUAL
(BUDGETARY BASIS) (CONTINUED)
Year Ended June 30, 2013**

	PURCHASING DIVISION FEES			
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Service fees	\$ 698,200	\$ 698,200	1,414,185	\$ 715,985
Severance tax bond proceeds	-	-	-	-
Appropriations	458,500	458,500	-	(458,500)
Interest	-	-	-	-
Other revenues	-	-	-	-
Other financing sources	-	-	-	-
Total revenue	1,156,700	1,156,700	<u>1,414,185</u>	<u>\$ 257,485</u>
Fund balance	-	-		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING FUND BALANCE BUDGETED				
	<u>\$ 1,156,700</u>	<u>\$ 1,156,700</u>		
EXPENDITURES				
Personnel services and employee benefits	\$ 619,500	\$ 619,500	356,819	\$ 262,681
Contractual services	458,500	458,500	47,786	410,714
Other costs	50,300	50,300	47,090	3,210
Other uses	28,400	28,400	-	28,400
TOTAL EXPENDITURES	<u>\$ 1,156,700</u>	<u>\$ 1,156,700</u>	<u>451,695</u>	<u>\$ 705,005</u>
NET CHANGE IN FUND BALANCE			962,490	
FUND BALANCE, JULY 1, 2012			<u>670,153</u>	
FUND BALANCE, JUNE 30, 2013			<u>\$ 1,632,643</u>	

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES -
NON-MAJOR SPECIAL REVENUE FUNDS - BUDGET AND ACTUAL
(BUDGETARY BASIS) (CONTINUED)
Year Ended June 30, 2013

	PUBLIC BUILDINGS REPAIR			
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Service fees	\$ 2,300,000	\$ 2,300,000	\$ 59,474	\$ (2,240,526)
Severance tax bond proceeds	-	-	-	-
Appropriations	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	1,432	1,432
Other financing sources	-	-	-	-
	-----	-----	-----	-----
Total revenue	2,300,000	2,300,000	60,906	\$ (2,239,094)
	-----	-----		
Fund balance	-	-		
	-----	-----		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING FUND BALANCE BUDGETED	<u>\$ 2,300,000</u>	<u>\$ 2,300,000</u>		
EXPENDITURES				
Personnel services and employee benefits	\$ 2,300,000	\$ 1,400,000	-	\$ 1,400,000
Contractual services	-	-	-	-
Other costs	-	900,000	-	900,000
Other uses	-	-	-	-
	-----	-----	-----	-----
TOTAL EXPENDITURES	<u>\$ 2,300,000</u>	<u>\$ 2,300,000</u>	-	<u>\$ 2,300,000</u>
NET CHANGE IN FUND BALANCE			60,906	
FUND BALANCE, JULY 1, 2012			<u>2,338,320</u>	
FUND BALANCE, JUNE 30, 2013			<u>\$ 2,399,226</u>	

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES -
NON-MAJOR SPECIAL REVENUE FUNDS - BUDGET AND ACTUAL
(BUDGETARY BASIS) (CONTINUED)
Year Ended June 30, 2013

PROCUREMENT ASSISTANCE PROGRAM				
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance From</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>(Budgetary Basis)</u>	<u>Positive (Negative)</u>
REVENUES				
Service fees	\$ -	\$ -	\$ -	\$ -
Severance tax bond proceeds	-	-	-	-
Appropriations	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	-	-
Other financing sources	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	-	-	-	\$ -
	<hr/>	<hr/>		
Fund balance	-	-		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING FUND BALANCE BUDGETED				
	<u>\$ -</u>	<u>\$ -</u>		
EXPENDITURES				
Personnel services and employee benefits	\$ -	\$ -	-	\$ -
Contractual services	-	-	-	-
Other costs	-	-	-	-
Other uses	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
NET CHANGE IN FUND BALANCE			-	
NON-BUDGETED RECONCILING ITEMS				
Reversions to State General Fund			<u>(5,983)</u>	
NET CHANGE IN FUND BALANCE			(5,983)	
FUND BALANCE, BEGINNING OF YEAR			<u>5,983</u>	
FUND BALANCE, END OF YEAR			<u>\$ -</u>	

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES -
NON-MAJOR CAPITAL PROJECTS FUNDS - BUDGET AND ACTUAL
(BUDGETARY BASIS) (CONTINUED)

Year Ended June 30, 2013

	<u>PROPERTY CONTROL RESERVE FUND</u>			
	<u>Life-to-Date</u> <u>Budgeted</u> <u>Amounts</u>	<u>FY13 Actual</u> <u>Amounts</u> <u>(Budgetary Basis)</u>	<u>Life-to-Date</u> <u>Accrual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance</u> <u>Over (Under)</u>
REVENUES				
Service fees	\$ -	\$ -	\$ 902,498	\$ 902,498
Severance tax bond proceeds	-	-	778,735	778,735
Interest	-	8,521	40,517	40,517
Other revenues	8,985,000	32,605	1,719,082	(7,265,918)
Other financing sources	-	-	1,531,805	1,531,805
	<u>-</u>	<u>-</u>	<u>1,531,805</u>	<u>1,531,805</u>
Total revenue	8,985,000	41,126	<u>\$ 4,972,637</u>	<u>\$ (4,012,363)</u>
Fund balance	<u>30,000</u>	<u>-</u>		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING FUND BALANCE BUDGETED	<u>\$ 9,015,000</u>	<u>41,126</u>		
EXPENDITURES				
Personnel services and employee benefits	\$ -	-	\$ -	\$ -
Contractual services	-	-	-	-
Other costs	8,884,725	19,574	3,333,217	5,551,508
Other uses	130,275	-	130,275	-
	<u>130,275</u>	<u>-</u>	<u>130,275</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$ 9,015,000</u>	<u>19,574</u>	<u>\$ 3,463,492</u>	<u>\$ 5,551,508</u>
NET CHANGE IN FUND BALANCE		21,552		
FUND BALANCE, JULY 1, 2012		<u>3,775,881</u>		
FUND BALANCE, JUNE 30, 2013		<u>\$ 3,797,433</u>		

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES -
NON-MAJOR CAPITAL PROJECTS FUNDS - BUDGET AND ACTUAL
(BUDGETARY BASIS) (CONTINUED)**

Year Ended June 30, 2013

TOBACCO TAX: DOH FACILITIES				
	<u>Life-to-Date Budgeted Amounts</u>	<u>FY13 Actual Amounts (Budgetary Basis)</u>	<u>Life-to-Date Accrual Amounts (Budgetary Basis)</u>	<u>Variance Over (Under)</u>
REVENUES				
Service fees	\$ -	\$ -	\$ -	\$ -
Severance tax bond proceeds	60,974,391	4,762,991	31,263,533	(29,710,858)
Other financing sources	-	-	9,669,135	9,669,135
	<u>-</u>	<u>-</u>	<u>9,669,135</u>	<u>9,669,135</u>
Total revenue	60,974,391	4,762,991	<u>\$ 40,932,668</u>	<u>\$ (20,041,723)</u>
Fund balance	<u>-</u>	<u>-</u>		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING FUND BALANCE BUDGETED				
	<u>\$ 60,974,391</u>	<u>4,762,991</u>		
EXPENDITURES				
Personnel services and employee benefits	\$ -	-	\$ -	\$ -
Contractual services	-	-	-	-
Other costs	60,415,724	4,609,488	40,913,760	19,501,964
Other uses	558,667	134,625	259,120	299,547
	<u>60,415,724</u>	<u>4,609,488</u>	<u>40,913,760</u>	<u>19,501,964</u>
	<u>558,667</u>	<u>134,625</u>	<u>259,120</u>	<u>299,547</u>
TOTAL EXPENDITURES	<u>\$ 60,974,391</u>	<u>4,744,113</u>	<u>\$ 41,172,880</u>	<u>\$ 19,801,511</u>
NET CHANGE IN FUND BALANCE		18,878		
FUND BALANCE, JULY 1, 2012		<u>1,698,672</u>		
FUND BALANCE, JUNE 30, 2013		<u>\$ 1,717,550</u>		

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES -
NON-MAJOR CAPITAL PROJECTS FUNDS - BUDGET AND ACTUAL
(BUDGETARY BASIS) (CONTINUED)
Year Ended June 30, 2013

	LAWS OF 2005			
	Life-to-Date	FY13 Actual	Life-to-Date	Variance
	Budgeted	Amounts	Accrual Amounts	
	Amounts	(Budgetary Basis)	(Budgetary Basis)	
Over (Under)				
REVENUES				
Service fees	\$ -	\$ -	\$ -	\$ -
Severance tax bond proceeds	-	-	349	349
Appropriations	-	296,768	296,768	296,768
Other revenues	-	200,000	200,000	200,000
Other financing sources	547,579	-	-	(547,579)
	<u>547,579</u>	<u>496,768</u>	<u>\$ 497,117</u>	<u>\$ (50,462)</u>
Total revenue				
Fund balance	-	-		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING FUND BALANCE BUDGETED				
	<u>\$ 547,579</u>	<u>496,768</u>		
EXPENDITURES				
Personnel services and employee benefits	\$ -	-	\$ -	-
Contractual services	318,404	68,642	68,642	249,762
Other costs	229,175	229,174	229,174	1
Other uses	-	-	-	-
	<u>547,579</u>	<u>297,816</u>	<u>\$ 297,816</u>	<u>\$ 249,763</u>
TOTAL EXPENDITURES				
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FUNDING SOURCES (USES)				
		198,952		
NON-BUDGETED RECONCILING ITEMS				
Reversions of capital project funds		-		
NET CHANGE IN FUND BALANCE		<u>\$ 198,952</u>		

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES -
NON-MAJOR CAPITAL PROJECTS FUNDS - BUDGET AND ACTUAL
(BUDGETARY BASIS) (CONTINUED)
Year Ended June 30, 2013

	LAWS OF 1999			
	Life-to-Date Budgeted Amounts	FY13 Actual Amounts (Budgetary Basis)	Life-to-Date Accrual Amounts (Budgetary Basis)	Variance Over (Under)
REVENUES				
Service fees	\$ -	\$ -	\$ -	\$ -
Severance tax bond proceeds	198,620	-	24,060	(174,560)
Appropriations	-	-	-	-
Interest	-	-	-	-
Other revenues	-	-	-	-
Other financing sources	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	198,620	-	<u>\$ 24,060</u>	<u>\$ (174,560)</u>
Fund balance	<u>-</u>	<u>-</u>		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING FUND BALANCE BUDGETED				
	<u>\$ 198,620</u>	<u>-</u>		
EXPENDITURES				
Personnel services and employee benefits	\$ -	-	\$ -	\$ -
Contractual services	-	-	-	-
Other costs	198,620	3,301	27,361	171,259
Other uses	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$ 198,620</u>	<u>3,301</u>	<u>\$ 27,361</u>	<u>\$ 171,259</u>
NON-BUDGETED RECONCILING ITEMS				
Reversions of capital project funds		<u>-</u>		
NET CHANGE IN FUND BALANCE		(3,301)		
FUND BALANCE, JULY 1, 2012		<u>3,301</u>		
FUND BALANCE, JUNE 30, 2013		<u>\$ -</u>		

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES -
MAJOR CAPITAL PROJECTS FUNDS - BUDGET AND ACTUAL
(BUDGETARY BASIS) (CONTINUED)
Year Ended June 30, 2013

	SEVERANCE TAX BOND PROJECTS			
	Life-to-Date Budgeted Amounts	FY13 Actual Amounts (Budgetary Basis)	Life-to-Date Accrual Amounts (Budgetary Basis)	Variance Over (Under)
REVENUES				
Service fees	\$ -	\$ -	\$ -	\$ -
Severance tax bond proceeds	110,383,872	-	14,208,499	(96,175,373)
Appropriations	-	-	-	-
Other revenues	-	-	-	-
Other financing sources	-	30,096,493	30,096,493	30,096,493
	<u>-</u>	<u>30,096,493</u>	<u>30,096,493</u>	<u>30,096,493</u>
Total revenue	110,383,872	30,096,493	<u>\$ 44,304,992</u>	<u>\$ (66,078,880)</u>
Fund balance	<u>-</u>	<u>-</u>		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING FUND				
BALANCE BUDGETED	<u>\$ 110,383,872</u>	<u>30,096,493</u>		
EXPENDITURES				
Personnel services and employee benefits	\$ -	-	\$ -	\$ -
Contractual services	-	-	-	-
Other costs	109,126,281	29,591,093	43,799,592	65,326,689
Other uses	1,257,591	505,400	505,400	752,191
	<u>1,257,591</u>	<u>505,400</u>	<u>505,400</u>	<u>752,191</u>
TOTAL EXPENDITURES	<u>\$ 110,383,872</u>	<u>30,096,493</u>	<u>\$ 30,096,493</u>	<u>\$ 66,078,880</u>
NET CHANGE IN FUND BALANCE		-		
FUND BALANCE, JULY 1, 2012		<u>-</u>		
FUND BALANCE, JUNE 30, 2013		<u>\$ -</u>		

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES -
NON-MAJOR CAPITAL PROJECTS FUNDS - BUDGET AND ACTUAL
(BUDGETARY BASIS) (CONTINUED)
Year Ended June 30, 2013

	GENERAL FUND PROJECTS			
	Life-to-Date Budgeted Amounts	FY13 Actual Amounts (Budgetary Basis)	Life-to-Date Accrual Amounts (Budgetary Basis)	Variance Over (Under)
REVENUES				
Service fees	\$ -	\$ -	\$ -	\$ -
Other revenues	443,644	-	-	(443,644)
Other financing sources	-	-	-	-
Total revenue	443,644	-	<u>\$ -</u>	<u>\$ (443,644)</u>
Fund balance	-	-		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING FUND BALANCE BUDGETED				
	<u>\$ 443,644</u>	<u>-</u>		
EXPENDITURES				
Personnel services and employee benefits	\$ -	-	\$ -	\$ -
Contractual services	-	-	-	-
Other costs	443,644	282,143	282,143	161,501
Other uses	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 443,644</u>	<u>282,143</u>	<u>\$ 282,143</u>	<u>\$ 161,501</u>
NET CHANGE IN FUND BALANCE		(282,143)		
FUND BALANCE, JULY 1, 2012		<u>282,143</u>		
FUND BALANCE, JUNE 30, 2013		<u>\$ -</u>		

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES -
MAJOR CAPITAL PROJECTS FUNDS - BUDGET AND ACTUAL
(BUDGETARY BASIS) (CONTINUED)
Year Ended June 30, 2013**

	CAPITOL BUILDING REPAIR			
	Life-to-Date Budgeted Amounts	FY13 Actual Amounts (Budgetary Basis)	Life-to-Date Accrual Amounts (Budgetary Basis)	Variance Over (Under)
REVENUES				
Service fees	\$ -	\$ 376,962	\$ 2,297,586	\$ 2,297,586
Interest	-	41,976	202,499	\$ 202,499
Other revenues	68,828,700	5,788	6,895	\$ (68,821,805)
Other financing sources	-	4,909,531	20,018,759	20,018,759
Total revenue	68,828,700	5,334,257	<u>\$ 22,525,739</u>	<u>\$ (46,302,961)</u>
Fund balance	-	-		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING FUND BALANCE BUDGETED				
	<u>\$ 68,828,700</u>	<u>5,334,257</u>		
EXPENDITURES				
Personnel services and employee benefits	\$ -	-	\$ -	\$ -
Contractual services	794,796	-	-	794,796
Other costs	67,811,842	9,828,022	25,078,631	42,733,211
Other uses	68,828,700	74,907	195,746	68,632,954
TOTAL EXPENDITURES	<u>\$ 137,435,338</u>	<u>9,902,929</u>	<u>\$ 25,274,377</u>	<u>\$ 112,160,961</u>
NET CHANGE IN FUND BALANCE		(4,568,672)		
FUND BALANCE, JULY 1, 2012		<u>18,285,005</u>		
FUND BALANCE, JUNE 30, 2013		<u>\$ 13,716,333</u>		

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES -
NON - MAJOR CAPITAL PROJECTS FUNDS - BUDGET AND ACTUAL
(BUDGETARY BASIS) (CONTINUED)
Year Ended June 30, 2013

	LAWS OF 2006			
	Life-to-Date Budgeted Amounts	FY13 Actual Amounts (Budgetary Basis)	Life-to-Date Accrual Amounts (Budgetary Basis)	Variance Over (Under)
REVENUES				
Service fees	\$ -	\$ -	\$ -	\$ -
Severance tax bond proceeds	-	2,054,014	84,271,991	2,054,014
Appropriations	-	-	-	-
Interest	-	-	-	-
Other revenues	189,966,344	-	6,151	(189,966,344)
Other financing sources	-	-	55,368,494	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	189,966,344	2,054,014	<u>\$ 139,646,636</u>	<u>\$ (187,912,330)</u>
Fund balance	<hr/>	<hr/>		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING FUND BALANCE BUDGETED				
	<u>\$ 189,966,344</u>	<u>2,054,014</u>		
EXPENDITURES				
Personnel services and employee benefits	\$ -	-	\$ -	\$ -
Contractual services	-	-	-	-
Other costs	186,153,149	2,054,014	140,624,867	45,528,282.00
Other uses	3,813,200	-	3,463,274	349,926.00
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	<u>\$ 189,966,349</u>	<u>2,054,014</u>	<u>\$ 144,088,141</u>	<u>\$ 45,878,208</u>
NET CHANGE IN FUND BALANCE		-		
FUND BALANCE, JULY 1, 2012		<hr/>		
FUND BALANCE, JUNE 30, 2013		<u>\$ -</u>		

MAJOR AND NON-MAJOR FUNDS

ENTERPRISE FUNDS DESCRIPTIONS:

Administrative Services Division and Office of the Secretary

The Administrative Services Division and Office of the Secretary (Fund 19700, non-reverting) provides program support for the Department. Both Divisions were separated from the General Fund in fiscal year 2002. The Office of the Secretary is responsible to the Governor for the operations of the Department. It is his duty to manage all operations of the Department and to administer and enforce the laws with which he or the Department is charged. The Administrative Services Division provides financial, purchasing, budget and personnel-related services for its parent agency, the General Services Department.

Transportation Services Division

State Transportation Pool (Major Fund 36500, non-reverting, Chapter 15, Article 8, NMSA 1978) provides transportation for all state agencies in the Santa Fe and Albuquerque, New Mexico areas.

Surplus Property Bureau (Fund 36000, non-reverting, Section 15-4-3 NMSA 1978) administers federal and state surplus property. The surplus property is sold to qualified organizations at a discounted fee prescribed by the United States General Services Administration.

State Aircraft Pool (Fund 41700, non-reverting, Aviation Services Fund, Section 15-9-4.1 NMSA 1978) provides transportation services via the State aircraft to all governmental entities.

Communications Division

State Printing (Fund 80600, non-reverting) is responsible for all large printing work for the State Government agencies.

Risk Management Division

Public Liability (Major Fund 35700, non-reverting, Section 15-7-2 NMSA 1978) provides for liability insurance for State agencies and their employees and for any local public body participating in this fund and pays claims and judgments against governmental entities or their employees covered by a certificate of coverage. Financing is provided through collections and transfers from governmental entities and interest on invested funds. This is a major fund.

Workers' Compensation Retention (Major Fund 35900, non-reverting, Section 15-7-6 NMSA 1978) accounts for the purchase and administration of workers' compensation insurance and provides appropriate reserves for workers' compensation coverage for employees of the State agencies. Financing is provided through the collection and transfer of funds from State agencies for workers' compensation, and from interest earned on investments.

MAJOR AND NON-MAJOR FUNDS

ENTERPRISE FUNDS DESCRIPTIONS - continued:

Risk Management Division - continued

Group Insurance Premium Stabilization (Major Fund 75200, non-reverting, Section 15-7-2C NMSA 1978) is used to account for premiums collected under the Consolidated Omnibus Budget Reconciliation Act (COBRA) from former employees of the Department who have elected to continue their health insurance coverage with the Department's carrier, and for retiree participation in the group insurance plans.

This fund is also used to account for money appropriated, employers' contributions, employees' contributions, insurance proceeds and other income from group life, vision care, dental care, health and disability insurance plans.

Risk Management Operating Account (Fund 35200, non-reverting) serves as an enterprise fund to the other Risk Funds within the Risk Management Division. The Operating Account assesses an administrative fee to the Risk Funds and is reflected in income. The Risk Funds report the assessment as part of expenses within each Risk Fund.

State Unemployment Compensation Reserve (Fund 35300, non-reverting, Section 15-7-2 NMSA 1978) accounts for the administration of all contributions collected and payments made to beneficiaries pursuant to the Unemployment Compensation Law. The fund is self-insured and financing is provided through billings to State government agencies and interest on invested funds.

Local Public Body (LPB) Unemployment Compensation (Fund 35400, non-reverting, Section 15-7-2 NMSA 1978) accounts for the administration of unemployment compensation benefits paid to public employees of local public bodies of the State of New Mexico who have agreed to participate in the fund activity. Financing is provided through assessments made to local public bodies pursuant to the rate schedule prescribed by the Risk Management Division and interest on invested funds.

Surety Bond (Fund 35800, non-reverting, Section 15-7-2 NMSA 1978) accounts for surety bond coverage of all or any portion of the surety bond risk of State agencies covered by a surety bond certificate of coverage issued by the Department. Financing is provided through the collection or transfer of funds from each State agency to cover costs of coverage of employees of that agency, and from interest earned on investments.

Employee Assistance Program (Fund 21500, non-reverting, Section 15-7-2C NMSA 1978) was created under the authority of the Risk Management Division to establish and administer group benefit plans (10-7B-6 through 10-7B-7 NMSA 1978). The purpose of the fund is to account for the collection of premiums from payroll benefit withholding and payments to the service provider.

MAJOR AND NON-MAJOR FUNDS

ENTERPRISE FUNDS DESCRIPTIONS - continued:

Risk Management Division - continued

Public Property Reserve (Fund 35600, non-reverting, Section 15-7-2 NMSA 1978) accounts for the purchase and administration of property insurance and the payment of any claim covered by a certificate of coverage, used by the Risk Management Division. Financing is provided through assessments to State agencies. Interest on invested funds is retained in the State of New Mexico General Fund.

Rates of the Risk Management Division are based upon the costs of insurance coverage purchased from third-party carriers or the direct cost of coverage for any risk not insured. Rates are also weighted to reflect the respective risk of each agency.

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
COMBINING STATEMENT OF NET POSITION - NON-MAJOR ENTERPRISE FUNDS
June 30, 2013

	19700	36000	41700	80600
	<u>Administrative Services Division</u>	<u>Surplus Property Bureau</u>	<u>State Aircraft Pool</u>	<u>State Printing</u>
ASSETS				
CURRENT ASSETS				
Investment in the State General Fund Investment Pool	\$ 401,311	\$ 146,702	\$ 395,284	\$ -
Receivables:				
Interest receivable	-	-	-	-
Accounts/trade receivables	9,082	65,624	45,023	152,383
Allowance for doubtful accounts	(6,872)	(23,549)	(7,327)	(34,369)
Due from other funds	2,047	690	2,736	1,102
Due from other agencies	-	-	-	-
Other assets	-	-	-	-
Inventories	<u>28,451</u>	<u>-</u>	<u>-</u>	<u>258,004</u>
Total current assets	<u>434,019</u>	<u>189,467</u>	<u>435,716</u>	<u>377,120</u>
NON-CURRENT ASSETS				
Capital assets	329,498	119,613	2,486,959	1,463,974
Accumulated depreciation	<u>(122,707)</u>	<u>(119,613)</u>	<u>(471,426)</u>	<u>(1,436,102)</u>
Total non-current assets	<u>206,791</u>	<u>-</u>	<u>2,015,533</u>	<u>27,872</u>
TOTAL ASSETS	<u>\$ 640,810</u>	<u>\$ 189,467</u>	<u>\$ 2,451,249</u>	<u>\$ 404,992</u>

35200 Risk Management Operating Account	35300 State Unemployment Compensation Reserve	35400 LPB Unemployment Compensation	35800 Surety Bond	21500 Employee Assistance Program	35600 Public Property Reserve	Total
\$ 2,909,511	\$ 2,036,567	\$ 654,246	\$ 1,034,601	\$107,654	\$ 7,010,058	\$ 14,695,934
-	-	30	89	-	561	680
-	2,325,194	911,597	255,959	-	412,994	4,177,856
-	(2,325,194)	(911,597)	(254,959)	-	(412,494)	(3,976,361)
60,652	-	1,152,829	-	-	-	1,220,056
-	-	-	-	-	-	-
214	-	-	-	-	-	214
-	-	-	-	-	-	286,455
<u>2,970,377</u>	<u>2,036,567</u>	<u>1,807,105</u>	<u>1,035,690</u>	<u>107,654</u>	<u>7,011,119</u>	<u>16,404,834</u>
159,411	-	-	-	-	-	4,559,455
(159,256)	-	-	-	-	-	(2,309,104)
<u>155</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,250,351</u>
<u>\$ 2,970,532</u>	<u>\$ 2,036,567</u>	<u>\$ 1,807,105</u>	<u>\$ 1,035,690</u>	<u>\$107,654</u>	<u>\$ 7,011,119</u>	<u>\$ 18,655,185</u>

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
COMBINING STATEMENT OF NET POSITION - NON-MAJOR ENTERPRISE FUNDS (CONTINUED)
June 30, 2013

	19700	36000	41700	80600
	Administrative Services Division	Surplus Property Bureau	State Aircraft Pool	State Printing
LIABILITIES AND NET ASSETS				
LIABILITIES				
Current liabilities:				
Bank overdraft	\$ -	\$ -	\$ -	\$ 332,968
Claims payable	-	-	-	-
Accounts payable	178,746	4,067	11,212	33,469
Unearned revenue	-	-	-	-
Accrued payroll	55,543	7,654	1,556	14,470
Due to other funds	73,455	-	-	6,346
Due to other agencies	3,856	41	-	-
Compensated absences	127,584	17,941	23,577	31,400
Total current liabilities	<u>439,184</u>	<u>29,703</u>	<u>36,345</u>	<u>418,653</u>
LONG-TERM LIABILITIES				
Claims payable	-	-	-	-
Compensated absences	1,708	699	4,198	1,274
Total long-term liabilities	<u>1,708</u>	<u>699</u>	<u>4,198</u>	<u>1,274</u>
Total liabilities	<u>440,892</u>	<u>30,402</u>	<u>40,543</u>	<u>419,927</u>
NET POSITION				
Invested in capital assets	206,791	-	2,015,533	27,872
Restricted for insurance/claims	-	-	-	-
Unrestricted	(6,873)	159,065	395,173	(42,807)
Total net position	<u>199,918</u>	<u>159,065</u>	<u>2,410,706</u>	<u>(14,935)</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 640,810</u>	<u>\$ 189,467</u>	<u>\$ 2,451,249</u>	<u>\$ 404,992</u>

35200	35300	35400	35800	21500	35600	
Risk	State	LPB				
Management	Unemployment	Unemployment	Surety	Employee	Public	
Operating	Compensation	Compensation	Bond	Assistance	Property	
Account	Reserve			Program	Reserve	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 332,968
-	7,929,361	1,744,459	3,430	-	1,426,513	11,103,763
75,843	2,314	-	-	-	23,352	329,003
-	-	-	-	-	-	-
59,382	-	-	-	-	-	138,605
-	1,152,829	-	-	-	-	1,232,630
-	-	-	-	-	-	3,897
121,304	-	-	-	-	-	321,806
<u>256,529</u>	<u>9,084,504</u>	<u>1,744,459</u>	<u>3,430</u>	<u>-</u>	<u>1,449,865</u>	<u>13,462,672</u>
-	-	-	2,427	-	323,046	325,473
6,145	-	-	-	-	-	14,024
<u>6,145</u>	<u>-</u>	<u>-</u>	<u>2,427</u>	<u>-</u>	<u>323,046</u>	<u>339,497</u>
<u>262,674</u>	<u>9,084,504</u>	<u>1,744,459</u>	<u>5,857</u>	<u>-</u>	<u>1,772,911</u>	<u>13,802,169</u>
155	-	-	-	-	-	2,250,351
-	7,929,361	1,744,459	5,857	-	1,749,559	11,429,236
2,707,703	(14,977,298)	(1,681,813)	1,023,976	107,654	3,488,649	(8,826,571)
<u>2,707,858</u>	<u>(7,047,937)</u>	<u>62,646</u>	<u>1,029,833</u>	<u>107,654</u>	<u>5,238,208</u>	<u>4,853,016</u>
<u>\$ 2,970,532</u>	<u>\$ 2,036,567</u>	<u>\$ 1,807,105</u>	<u>\$1,035,690</u>	<u>\$107,654</u>	<u>\$ 7,011,119</u>	<u>\$ 18,655,185</u>

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - NON-MAJOR ENTERPRISE FUNDS
Year Ended June 30, 2013

	19700	36000	41700	80600
	Administrative Services Division	Surplus Property Bureau	State Aircraft Pool	State Printing
OPERATING REVENUE				
Service fees/premiums	\$ 8,970	\$ 534,427	\$ -	\$ 1,395,799
Interest income	-	-	-	-
Other revenue	<u>717</u>	<u>1,464</u>	<u>117,672</u>	<u>2,129</u>
Total revenues	9,687	535,891	117,672	1,397,928
OPERATING EXPENSES				
Personnel services	1,803,232	266,283	116,016	553,226
Employee benefits	597,946	97,009	91,821	207,663
In-state travel	660	869	-	-
Out-of-state travel	-	-	3,458	-
Maintenance and repairs	2,799	4,355	105,849	-
Supplies	16,521	2,142	430	214,182
Contractual services	492,351	6,095	-	-
Depreciation	52,004	1,510	98,721	7,857
Operating costs	263,532	76,847	123,958	337,531
Other costs	<u>-</u>	<u>35,775</u>	<u>-</u>	<u>13,778</u>
Total expenses	<u>3,229,045</u>	<u>490,885</u>	<u>540,253</u>	<u>1,334,237</u>
Operating income (loss)	(3,219,358)	45,006	(422,581)	63,691
NON-OPERATING				
REVENUE (EXPENSE):				
Intra-agency transfers	3,364,291	(31,532)	(29,068)	(50,539)
Gain on disposal of capital assets	-	-	-	-
Transfers:				
General appropriations	-	-	200,000	-
Other state agency transfers	-	-	-	-
Other state funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL NON-OPERATING				
REVENUE (EXPENSE)	<u>3,364,291</u>	<u>(31,532)</u>	<u>170,932</u>	<u>(50,539)</u>
CHANGE IN NET POSITION	144,933	13,474	(251,649)	13,152
NET POSITION, BEGINNING OF YEAR	<u>54,985</u>	<u>145,591</u>	<u>2,662,355</u>	<u>(28,087)</u>
NET POSITION, END OF YEAR	<u>\$ 199,918</u>	<u>\$ 159,065</u>	<u>\$ 2,410,706</u>	<u>\$ (14,935)</u>

35200 Risk Management Operating Account	35300 State Unemployment Compensation Reserve	35400 LPB Unemployment Compensation	35800 Surety Bond	21500 Employee Assistance Program	35600 Public Property Reserve	Total
\$ -	\$ 12,745,769	\$ 3,047,472	\$ 72,000	\$ 115,190	\$ 11,765,282	\$ 29,684,909
-	7,127	2,834	3,295	-	10,624	23,880
388	-	-	-	-	-	122,370
388	12,752,896	3,050,306	75,295	115,190	11,775,906	29,831,159
2,208,882	-	-	-	-	-	4,947,639
946,945	-	-	-	-	-	1,941,384
14,750	-	-	-	-	-	16,279
4,679	-	-	-	-	-	8,137
-	-	-	-	-	7,494	120,497
13,710	-	-	-	-	-	246,985
70,439	74,668	42,667	65,310	136,700	4,185,821	5,074,051
206	-	-	-	-	-	160,298
523,051	13,008,685	1,651,197	240,708	-	4,209,474	20,434,983
40,453	-	749,596	-	-	-	839,602
3,823,115	13,083,353	2,443,460	306,018	136,700	8,402,789	33,789,855
(3,822,727)	(330,457)	606,846	(230,723)	(21,510)	3,373,117	(3,958,696)
4,500,461	(15,542)	(60,100)	(31,700)	-	(515,000)	7,131,271
-	-	-	-	-	-	-
-	-	-	-	-	-	200,000
-	-	-	-	-	-	-
-	-	-	-	-	-	-
4,500,461	(15,542)	(60,100)	(31,700)	-	(515,000)	7,331,271
677,734	(345,999)	546,746	(262,423)	(21,510)	2,858,117	3,372,575
2,030,124	(6,701,938)	(484,100)	1,292,256	129,164	2,380,091	1,480,441
\$ 2,707,858	\$ (7,047,937)	\$ 62,646	\$ 1,029,833	\$ 107,654	\$ 5,238,208	\$ 4,853,016

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
 COMBINING STATEMENT OF CASH FLOWS -
 NON-MAJOR ENTERPRISE FUNDS
 Year Ended June 30, 2013

	19700	36000	41700	80600
	Administrative Services Division	Surplus Property Bureau	State Aircraft Pool	State Printing
OPERATING ACTIVITIES				
Fees received	\$ 9,687	\$ 536,340	\$ 114,585	\$ 1,396,826
Other income	-		-	
Cash paid to suppliers	(995,118)	(184,450)	(254,220)	(559,414)
Cash paid to employees	(2,430,105)	(383,021)	(212,173)	(786,873)
Net cash provided by (used in) operating activities	(3,415,536)	(31,131)	(351,808)	50,539
NON-CAPITAL FINANCING ACTIVITIES				
Appropriation from/reversion to State General Fund	-	-	200,000	-
Transfers	3,364,291	(31,532)	(29,068)	(50,539)
Net cash provided by (used in) non-capital financing activities	3,364,291	(31,532)	170,932	(50,539)
CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(167,150)	-	-	-
Proceeds from the sale of capital assets	-	-	-	-
Net cash provided by (used in) capital and related financing activities	(167,150)	-	-	-
NET INCREASE (DECREASE) IN CASH	(218,395)	(62,663)	(180,876)	-
CASH, BEGINNING OF YEAR	619,706	209,365	576,160	-
CASH, END OF YEAR	\$ 401,311	\$ 146,702	\$ 395,284	\$ -

35200 Risk Management Operating Account	35300 State Unemployment Compensation Reserve	35400 LPB Unemployment Program	35800 Surety Bond	21500 Employee Assistance Program	35600 Public Property Reserve	Total
\$ 92,328	\$ 13,926,578	\$ 3,050,461	\$ 75,295	\$115,190	\$ 13,265,009	\$ 32,582,299
-	-	-	-	-	-	-
(599,847)	(15,979,238)	(3,136,437)	(1,558,228)	(150,712)	(8,432,959)	(31,850,623)
<u>(3,257,436)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,069,608)</u>
(3,764,955)	(2,052,660)	(85,976)	(1,482,933)	(35,522)	4,832,050	(6,337,932)
-	-	-	-	-	-	200,000
<u>4,500,460</u>	<u>(15,542)</u>	<u>(60,100)</u>	<u>(31,700)</u>	<u>-</u>	<u>(515,000)</u>	<u>7,131,270</u>
4,500,460	(15,542)	(60,100)	(31,700)	-	(515,000)	7,331,270
-	-	-	-	-	-	(167,150)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	(167,150)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(167,150)</u>
735,505	(2,068,202)	(146,076)	(1,514,633)	(35,522)	4,317,050	826,188
<u>2,174,006</u>	<u>4,104,769</u>	<u>800,322</u>	<u>2,549,234</u>	<u>143,176</u>	<u>2,693,008</u>	<u>13,869,746</u>
<u>\$ 2,909,511</u>	<u>\$ 2,036,567</u>	<u>\$ 654,246</u>	<u>\$ 1,034,601</u>	<u>\$107,654</u>	<u>\$ 7,010,058</u>	<u>\$ 14,695,934</u>

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
 COMBINING STATEMENT OF CASH FLOWS -
 NON-MAJOR ENTERPRISE FUNDS (CONTINUED)
 Year Ended June 30, 2013

	19700	36000	41700	80600
	Administrative Services Division	Surplus Property Bureau	State Aircraft Pool	State Printing
RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH FROM				
OPERATING ACTIVITIES				
Operating income (loss)	(3,219,358)	45,006	(422,581)	63,691
Adjustments:				
Depreciation	52,004	1,510	98,721	7,857
(Increase) Decrease in assets:				
Accounts receivable, interest receivable and due from other agencies and funds	3,785	(38,611)	(3,087)	179,915
Inventories	(3,875)	-	-	36,536
Other assets	-	-	-	-
Increase (decrease) in liabilities:				
Insurance claim payable	-	-	-	-
Accounts payable and due to other agencies and funds	(219,165)	(19,307)	(20,525)	(211,476)
Accrued expenses	(66,020)	(15,903)	(7,217)	(29,443)
Accrued compensated absences	37,093	(3,826)	2,881	3,459
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ (3,415,536)</u>	<u>\$ (31,131)</u>	<u>\$ (351,808)</u>	<u>\$ 50,539</u>

35200 Risk Management Operating Account	35300 State Unemployment Compensation Reserve	35400 LPB Unemployment Compensation	35800 Surety Bond	21500 Employee Assistance Program	35600 Public Property Reserve	Total
(3,822,727)	(330,457)	606,846	(230,723)	(21,510)	3,373,117	(3,958,696)
206	-	-	-	-	-	160,298
91,940	1,173,682	155	245,443	-	1,488,662	3,141,884
-	-	-	-	-	-	32,661
-	-	-	-	-	-	-
-	(1,150,718)	(298,559)	(8,550)	-	24,439	(1,433,388)
67,234	(1,745,167)	(394,418)	(1,489,103)	(14,012)	(54,168)	(4,100,107)
(115,508)	-	-	-	-	-	(234,091)
13,899	-	-	-	-	-	53,506
<u>\$ (3,764,956)</u>	<u>\$ (2,052,660)</u>	<u>\$ (85,976)</u>	<u>\$ (1,482,933)</u>	<u>\$ (35,522)</u>	<u>\$ 4,832,050</u>	<u>\$ (6,337,933)</u>

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES AND EXPENSES - NON-MAJOR ENTERPRISE FUNDS -
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2013

ADMINISTRATIVE SERVICES DIVISION				
	Budgeted Amounts		Actual Amounts	Variance From
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Service fees	\$ -	\$ -	\$ 8,970	\$ 8,970
Other revenues	-	-	717	717
Other financing sources	<u>3,656,600</u>	<u>3,656,600</u>	<u>3,364,291</u>	<u>(292,309)</u>
Total revenue	3,656,600	3,656,600	<u>3,373,978</u>	<u>\$ (282,622)</u>
Net position balance	<u>-</u>	<u>-</u>		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING NET ASSET BALANCE BUDGETED				
	<u>\$ 3,656,600</u>	<u>\$ 3,656,600</u>		
EXPENSES				
Personal services and employee benefits	\$ 2,983,900	\$ 2,589,620	2,401,178	\$ 188,442
Contractual services	241,300	537,500	492,351	45,149
Other costs	431,400	529,480	283,512	245,968
Other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses before depreciation	<u>\$ 3,656,600</u>	<u>\$ 3,656,600</u>	3,177,041	<u>\$ 479,559</u>
Depreciation not budgeted			<u>52,004</u>	
Total expenses			<u>3,229,045</u>	
CHANGE IN NET POSITION			144,933	
NET POSITION, JULY 1, 2012			<u>54,985</u>	
NET POSITION, JUNE 30, 2013			<u>\$ 199,918</u>	

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES AND EXPENSES - NON-MAJOR ENTERPRISE FUNDS -
BUDGET AND ACTUAL (BUDGETARY BASIS) (CONTINUED)
Year Ended June 30, 2013

	SURPLUS PROPERTY BUREAU			
	Budgeted Amounts		Actual Amounts	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Service fees	\$ 650,300	\$ 650,300	534,427	\$ (115,873)
Other revenues	-	-	1,464	1,464
Other financing sources	-	-	-	-
Total revenue	650,300	650,300	<u>535,891</u>	<u>\$ (114,409)</u>
Net position balance	-	-		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING NET ASSET BALANCE BUDGETED	<u>\$ 650,300</u>	<u>\$ 650,300</u>		
EXPENSES				
Personal services and employee benefits	\$ 441,900	\$ 441,900	363,292	\$ 78,608
Contractual services	43,700	43,700	6,095	37,605
Other costs	125,400	125,400	119,988	5,412
Other uses	39,300	39,300	31,532	7,768
Total expenses before depreciation	<u>\$ 650,300</u>	<u>\$ 650,300</u>	520,907	<u>\$ 129,393</u>
Depreciation not budgeted			<u>1,510</u>	
Total expenses			<u>522,417</u>	
CHANGE IN NET POSITION			13,474	
NET POSITION, JULY 1, 2012			<u>145,591</u>	
NET POSITION, JUNE 30, 2013			<u>\$ 159,065</u>	

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES AND EXPENSES - NON-MAJOR ENTERPRISE FUNDS -
BUDGET AND ACTUAL (BUDGETARY BASIS) (CONTINUED)
Year Ended June 30, 2013

	STATE AIRCRAFT POOL			
	Budgeted Amounts		Actual Amounts	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Service fees	\$ 1,020,400	\$ 1,020,400	-	\$ (1,020,400)
Appropriations	-	-	200,000	200,000
Interest	-	-	-	-
Other revenues	-	-	117,672	117,672
Other financing sources	-	-	-	-
Total revenue	<u>1,020,400</u>	<u>1,020,400</u>	<u>317,672</u>	<u>\$ (702,728)</u>
Net position balance	<u>-</u>	<u>-</u>		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING NET ASSET BALANCE BUDGETED	<u>\$ 1,020,400</u>	<u>\$ 1,020,400</u>		
EXPENSES				
Personal services and employee benefits	\$ 306,500	\$ 306,500	207,837	\$ 98,663
Contractual services	3,200	3,200	-	3,200
Other costs	664,800	664,800	233,695	431,105
Other uses	45,900	45,900	29,068	16,832
Total expenses before depreciation	<u>\$ 1,020,400</u>	<u>\$ 1,020,400</u>	470,600	<u>\$ 549,800</u>
Depreciation not budgeted			<u>98,721</u>	
Total expenses			<u>569,321</u>	
CHANGE IN NET POSITION			(251,649)	
NET POSITION, JULY 1, 2012			<u>2,662,355</u>	
NET POSITION, JUNE 30, 2013			<u>\$ 2,410,706</u>	

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES AND EXPENSES - NON-MAJOR ENTERPRISE FUNDS -
BUDGET AND ACTUAL (BUDGETARY BASIS) (CONTINUED)
Year Ended June 30, 2013

	STATE PRINTING			
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts	Final Budget
				Positive (Negative)
REVENUES				
Service fees	\$ 1,938,000	\$ 1,938,000	\$ 1,395,799	\$ (542,201)
Other revenues	-	-	2,129	2,129
Total revenue	1,938,000	1,938,000	<u>1,397,928</u>	<u>\$ (540,072)</u>
Net position balance	-	-		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING NET ASSET BALANCE BUDGETED				
	<u>\$ 1,938,000</u>	<u>\$ 1,938,000</u>		
EXPENSES				
Personal services and employee benefits	\$ 1,163,900	\$ 1,163,900	760,889	\$ 403,011
Contractual services	18,000	18,000	-	18,000
Other costs	651,600	651,600	565,491	86,109
Other uses	104,500	104,500	50,539	53,961
Total expenses before depreciation	<u>\$ 1,938,000</u>	<u>\$ 1,938,000</u>	1,376,919	<u>\$ 561,081</u>
Depreciation not budgeted			<u>7,857</u>	
Total expenses			<u>1,384,776</u>	
CHANGE IN NET POSITION			13,152	
NET POSITION, JULY 1, 2012			<u>(28,087)</u>	
NET POSITION, JUNE 30, 2013			<u>\$ (14,935)</u>	

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES AND EXPENSES - NON-MAJOR ENTERPRISE FUNDS -
BUDGET AND ACTUAL (BUDGETARY BASIS) (CONTINUED)
Year Ended June 30, 2013

	RISK MANAGEMENT OPERATING ACCOUNT			
	Budgeted Amounts		Actual Amounts	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Service fees	\$ -	\$ -	\$ -	\$ -
Other revenues	-	-	388	388
Other financing sources	<u>7,551,500</u>	<u>7,551,500</u>	<u>7,278,009</u>	<u>(273,491)</u>
Total revenue	7,551,500	7,551,500	<u>7,278,397</u>	<u>\$ (273,103)</u>
Net position balance	<u>-</u>	<u>-</u>		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING NET ASSET BALANCE BUDGETED	<u>\$ 7,551,500</u>	<u>\$ 7,551,500</u>		
EXPENSES				
Personal services and employee benefits	\$ 3,992,600	\$ 3,835,241	3,155,827	\$ 679,414
Contractual services	153,600	153,600	70,439	83,161
Other costs	567,100	724,459	596,643	127,816
Other uses	<u>2,838,200</u>	<u>2,838,200</u>	<u>2,777,548</u>	<u>60,652</u>
Total expenses before depreciation	<u>\$ 7,551,500</u>	<u>\$ 7,551,500</u>	6,600,457	<u>\$ 951,043</u>
Depreciation not budgeted			<u>206</u>	
Total expenses			<u>6,600,663</u>	
CHANGE IN NET POSITION			677,734	
NET POSITION, JULY 1, 2012			<u>2,030,124</u>	
NET POSITION, JUNE 30, 2013			<u>\$ 2,707,858</u>	

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES AND EXPENSES - NON-MAJOR ENTERPRISE FUNDS -
BUDGET AND ACTUAL (BUDGETARY BASIS) (CONTINUED)
Year Ended June 30, 2013

	STATE UNEMPLOYMENT COMPENSATION RESERVE			
	Budgeted Amounts		Actual Amounts	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Service fees	\$ 16,046,500	\$ 16,046,500	12,745,769	\$ (3,300,731)
Interest	-	-	7,127	7,127
Other revenues	-	-	-	-
Total revenue	16,046,500	16,046,500	12,752,896	\$ (3,293,604)
Net position balance	-	-		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING NET ASSET BALANCE BUDGETED	<u>\$ 16,046,500</u>	<u>\$ 16,046,500</u>		
EXPENSES				
Personal services and employee benefits	\$ -	\$ -	-	\$ -
Contractual services	200,000	200,000	74,668	125,332
Other costs	15,809,200	15,809,200	13,008,685	2,800,515
Other uses	37,300	37,300	15,542	21,758
Total expenses before depreciation	<u>\$ 16,046,500</u>	<u>\$ 16,046,500</u>	13,098,895	\$ 2,947,605
Depreciation not budgeted			-	
Claims reserves not budgeted			-	
Total expenses			<u>13,098,895</u>	
CHANGE IN NET POSITION			(345,999)	
NET POSITION, JULY 1, 2012			<u>(6,701,938)</u>	
NET POSITION, JUNE 30, 2013			<u>\$ (7,047,937)</u>	

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES AND EXPENSES - NON-MAJOR ENTERPRISE FUNDS -
BUDGET AND ACTUAL (BUDGETARY BASIS) (CONTINUED)**

Year Ended June 30, 2013

LOCAL PUBLIC BODY UNEMPLOYMENT COMPENSATION				
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Service fees	\$ 3,559,000	\$ 3,559,000	\$ 3,047,472	\$ (511,528)
Interest	-	-	2,834	2,834
Total revenue	3,559,000	3,559,000	3,050,306	\$ (508,694)
Net position balance	-	-		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING NET ASSET BALANCE BUDGETED				
	\$ 3,559,000	\$ 3,559,000		
EXPENSES				
Personal services and employee benefits	\$ -	\$ -	-	\$ -
Contractual services	90,000	90,000	42,667	47,333
Other costs	3,408,900	3,408,900	2,400,793	1,008,107
Other uses	60,100	60,100	60,100	-
Total expenses before depreciation	\$ 3,559,000	\$ 3,559,000	2,503,560	\$ 1,055,440
Depreciation not budgeted			-	
Claims reserves not budgeted			-	
Total expenses			2,503,560	
CHANGE IN NET POSITION			546,746	
NET POSITION, JULY 1, 2012			(484,100)	
NET POSITION, JUNE 30, 2013			\$ 62,646	

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES AND EXPENSES - NON-MAJOR ENTERPRISE FUNDS -
BUDGET AND ACTUAL (BUDGETARY BASIS) (CONTINUED)**

Year Ended June 30, 2013

	SURETY BOND			
	Budgeted Amounts		Actual Amounts	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Service fees	\$ 71,000	\$ 71,000	72,000	\$ 1,000
Interest	-	-	3,295	3,295
Total revenue	71,000	71,000	75,295	\$ 4,295
Net position balance	74,300	74,300		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING NET ASSET BALANCE BUDGETED	\$ 145,300	\$ 145,300		
EXPENSES				
Personal services and employee benefits	\$ -	\$ -	-	\$ -
Contractual services	67,000	67,000	65,310	1,690
Other costs	46,600	46,600	-	46,600
Other uses	31,700	31,700	31,700	-
Total expenses				
before non budgeted item	\$ 145,300	\$ 145,300	97,010	\$ 48,290
NON BUDGETED ITEMS				
Allowance for uncollectible accounts			240,708	
Depreciation not budgeted			-	
Total expenses			337,718	
CHANGE IN NET POSITION			(262,423)	
NET POSITION, JULY 1, 2012			1,292,256	
NET POSITION, JUNE 30, 2013			\$ 1,029,833	

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES AND EXPENSES - NON-MAJOR ENTERPRISE FUNDS -
BUDGET AND ACTUAL (BUDGETARY BASIS) (CONTINUED)
Year Ended June 30, 2013

	EMPLOYEE ASSISTANCE PROGRAM			
	Budgeted Amounts		Actual Amounts	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Service fees	\$ -	\$ -	115,190	\$ 115,190
Appropriations	200,000	200,000	-	(200,000)
Total revenue	200,000	200,000	115,190	\$ (84,810)
Net position balance	-	-		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING NET ASSET BALANCE BUDGETED	\$ 200,000	\$ 200,000		
EXPENSES				
Personal services and employee benefits	\$ -	\$ -	-	\$ -
Contractual services	200,000	200,000	136,700	63,300
Other costs	-	-	-	-
Other uses	-	-	-	-
Total expenses before depreciation	\$ 200,000	\$ 200,000	136,700	\$ 63,300
Depreciation not budgeted			-	
Total expenses			136,700	
CHANGE IN NET POSITION			(21,510)	
NET POSITION, JULY 1, 2012			129,164	
NET POSITION, JUNE 30, 2013			\$ 107,654	

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES AND EXPENSES - NON-MAJOR ENTERPRISE FUNDS -
BUDGET AND ACTUAL (BUDGETARY BASIS) (CONTINUED)
Year Ended June 30, 2013

	PUBLIC PROPERTY RESERVE			
	Budgeted Amounts		Actual Amounts	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Service fees	\$ 10,880,900	\$ 10,880,900	\$ 11,765,282	\$ 884,382
Interest	-	-	10,624	10,624
Total revenue	10,880,900	10,880,900	11,775,906	\$ 895,006
Net position balance	-	-		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING NET ASSET BALANCE BUDGETED	<u>\$ 10,880,900</u>	<u>\$ 10,880,900</u>		
EXPENSES				
Personal services and employee benefits	\$ -	\$ -	-	\$ -
Contractual services	4,500,000	4,500,000	4,185,821	314,179
Other costs	5,865,900	5,865,900	4,216,968	1,648,932
Other uses	515,000	515,000	515,000	-
Total expenses before depreciation	<u>\$ 10,880,900</u>	<u>\$ 10,880,900</u>	8,917,789	<u>\$ 1,963,111</u>
Depreciation not budgeted			-	
Total expenses			<u>8,917,789</u>	
CHANGE IN NET POSITION			2,858,117	
NET POSITION, JULY 1, 2012			<u>2,380,091</u>	
NET POSITION, JUNE 30, 2013			<u>\$ 5,238,208</u>	

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES AND EXPENSES - MAJOR ENTERPRISE FUNDS -
BUDGET AND ACTUAL (BUDGETARY BASIS) (CONTINUED)
Year Ended June 30, 2013

	PUBLIC LIABILITY			Variance From Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Service fees	\$ 31,731,200	\$ 65,881,200	114,306,804	\$ 48,425,604
Interest	-	-	103,099	103,099
Total revenue	<u>31,731,200</u>	<u>65,881,200</u>	<u>114,409,903</u>	<u>\$ 48,528,703</u>
Net position balance	<u>-</u>	<u>-</u>		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING NET ASSET				
BALANCE BUDGETED	<u>\$ 31,731,200</u>	<u>\$ 65,881,200</u>		
EXPENSES				
Personal services and employee benefits	\$ -	\$ -	-	\$ -
Contractual services	19,150,000	25,750,000	12,568,532	13,181,468
Other costs	8,574,600	36,124,600	22,213,776	13,910,824
Other financing uses	<u>4,006,600</u>	<u>4,006,600</u>	<u>4,006,600</u>	<u>-</u>
Total expenses before depreciation	<u>\$ 31,731,200</u>	<u>\$ 65,881,200</u>	38,788,908	<u>\$ 27,092,292</u>
Depreciation not budgeted			-	
Claims reserves not budgeted			<u>-</u>	
Total expenses			<u>38,788,908</u>	
CHANGE IN NET POSITION			75,620,995	
NET POSITION, JULY 1, 2012			<u>(146,211,097)</u>	
NET POSITION, JUNE 30, 2013			<u>\$ (70,590,102)</u>	

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES AND EXPENSES - MAJOR ENTERPRISE FUNDS -
BUDGET AND ACTUAL (BUDGETARY BASIS) (CONTINUED)**

Year Ended June 30, 2013

	WORKERS' COMPENSATION RETENTION			Variance From Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
REVENUES				
Service fees	\$ 16,652,600	\$ 20,252,600	18,511,572	\$ (1,741,028)
Interest	-	-	34,190	34,190
Total revenue	<u>16,652,600</u>	<u>20,252,600</u>	<u>18,545,762</u>	<u>\$ (1,706,838)</u>
Net position balance	<u>-</u>	<u>-</u>		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING NET ASSET BALANCE BUDGETED	<u>\$ 16,652,600</u>	<u>\$ 20,252,600</u>		
EXPENSES				
Personal services and employee benefits	\$ -	\$ -	-	\$ -
Contractual services	1,731,900	1,731,900	1,290,916	440,984
Other costs	13,840,700	17,440,700	17,089,019	351,681
Other uses	<u>1,080,000</u>	<u>1,080,000</u>	<u>1,080,000</u>	<u>-</u>
Total expenses before depreciation	<u>\$ 16,652,600</u>	<u>\$ 20,252,600</u>	<u>19,459,935</u>	<u>\$ 792,665</u>
Depreciation not budgeted			-	
Claims reserves not budgeted			<u>7,354,948</u>	
Total expenses			<u>26,814,883</u>	
CHANGE IN NET POSITION			(8,269,121)	
NET POSITION, JULY 1, 2012			<u>(29,360,368)</u>	
NET POSITION, JUNE 30, 2013			<u>\$ (37,629,489)</u>	

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES AND EXPENSES - MAJOR ENTERPRISE FUNDS -
BUDGET AND ACTUAL (BUDGETARY BASIS) (CONTINUED)**

Year Ended June 30, 2013

	STATE TRANSPORTATION POOL			
	Budgeted Amounts		Actual Amounts	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Service fees	\$ 6,593,000	\$ 6,593,000	4,420,180	\$ (2,172,820)
Other revenues	-	-	113,708	113,708
Total revenue	6,593,000	6,593,000	4,533,888	\$ (2,059,112)
Net position balance	-	-		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING NET ASSET BALANCE BUDGETED	\$ 6,593,000	\$ 6,593,000		
EXPENSES				
Personal services and employee benefits	\$ 1,619,700	\$ 1,619,700	1,460,428	\$ 159,272
Contractual services	42,700	60,200	-	60,200
Other costs	4,561,500	4,544,000	4,201,522	342,478
Other uses	369,100	369,100	291,180	77,920
Total expenses before depreciation	\$ 6,593,000	\$ 6,593,000	5,953,130	\$ 639,870
Depreciation not budgeted			1,511,731	
Total expenses			7,464,861	
CHANGE IN NET POSITION			(2,930,973)	
NET POSITION, JULY 1, 2012			10,488,185	
NET POSITION, JUNE 30, 2013			\$ 7,557,212	

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
STATEMENT OF REVENUES AND EXPENSES - MAJOR ENTERPRISE FUNDS -
BUDGET AND ACTUAL (ACCRUAL BUDGETARY GAAP BASIS) (CONTINUED)
Year Ended June 30, 2013

GROUP INSURANCE PREMIUM STABILIZATION				
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance From Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Service fees	\$ 354,340,800	\$ 354,340,800	297,005,533	\$ (57,335,267)
Appropriations	9,240,000	9,240,000	9,240,000	-
Interest	-	-	49,298	49,298
Other revenues	-	-	254,679	254,679
Other financing sources	-	-	-	-
Total revenue	<u>363,580,800</u>	<u>363,580,800</u>	<u>306,549,510</u>	<u>\$ (57,031,290)</u>
Net position balance	-	-		
TOTAL REVENUES, OTHER FINANCING SOURCES AND BEGINNING NET ASSET BALANCE BUDGETED				
	<u>\$ 363,580,800</u>	<u>\$ 363,580,800</u>		
EXPENSES				
Personal services and employee benefits	\$ -	\$ -	-	\$ -
Contractual services	21,000,000	21,000,000	18,373,659	2,626,341
Other costs	340,760,000	340,760,000	320,528,952	20,231,048
Other uses	<u>1,820,800</u>	<u>1,820,800</u>	<u>1,569,067</u>	<u>251,733</u>
Total expenses before depreciation	<u>\$ 363,580,800</u>	<u>\$ 363,580,800</u>	340,471,678	<u>\$ 23,109,122</u>
Depreciation not budgeted			-	
Claims reserves not budgeted			-	
Total expenses			<u>340,471,678</u>	
CHANGE IN NET POSITION			(33,922,168)	
NET POSITION, JULY 1, 2012			<u>(12,714,703)</u>	
NET POSITION, JUNE 30, 2013			<u>\$ (46,636,871)</u>	

FIDUCIARY FUNDS DESCRIPTIONS

Purchasing Division

The Bond Securities (Fund 75100) is used to account for bid securities of contractors bidding on construction projects who elect to remit cash directly to State Purchasing instead of obtaining bonding from a surety company.

Risk Management Division

The Insurance Carrier Premiums (Fund 56100) was established in fiscal year 2001 to hold both the employer's and employee's share of vision, long-term care and life insurance premiums until they are remitted to the Davis Vision and Prudential insurance companies. The premiums are collected from state agencies, participating local public bodies and their employees.

Administrative Services Division

Governor's Residence Preservation Fund (Fund 11490) was established in fiscal year 2013 to account for gifts, donations, and bequests of money to the Governor's Residence Advisory Commission (the Commission), as well as appropriations made to the Commission. Earnings from the investment of the fund shall be credited to the fund. Expenditure of the fund shall be only for the purpose for which the Commission was created and shall be paid to the Commission upon vouchers signed by the chairman of the Commission and warrants issued by the Secretary of Finance and Administration.

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
 COMBINING STATEMENT OF FIDUCIARY ASSETS
 AND LIABILITIES - AGENCY FUNDS
 June 30, 2013**

	75100	56100	11490	
	Bond	Insurance	Gov	
	Securities	Carrier	Residence	Total
	Preservation	Premiums	Preservation	
ASSETS				
Cash	\$ 150	\$ 941,337	\$ 1,950	\$ 943,437
Due from other funds	<u>-</u>	<u>1,556,074</u>	<u>-</u>	<u>1,556,074</u>
TOTAL ASSETS	<u>\$ 150</u>	<u>\$ 2,497,411</u>	<u>\$ 1,950</u>	<u>\$ 2,499,511</u>
LIABILITIES				
Accounts payable	\$ -	\$ 1,009,765	\$ -	\$ 1,009,765
Deposits held for others	<u>150</u>	<u>1,487,646</u>	<u>1,950</u>	<u>1,489,746</u>
TOTAL LIABILITIES	<u>\$ 150</u>	<u>\$ 2,497,411</u>	<u>\$ 1,950</u>	<u>\$ 2,499,511</u>

OTHER SUPPLEMENTAL INFORMATION

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
June 30, 2013

	Balance as of <u>June 30, 2012</u>	Additions	Deletions	Balance as of <u>June 30, 2013</u>
75100 BOND SECURITIES				
ASSETS				
Cash	\$ 150	\$ 20,831	\$ 20,831	\$ 150
TOTAL ASSETS	<u>\$ 150</u>	<u>\$ 20,831</u>	<u>\$ 20,831</u>	<u>\$ 150</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deposits held in custody for others	<u>150</u>	<u>20,831</u>	<u>20,831</u>	<u>150</u>
TOTAL LIABILITIES	<u>\$ 150</u>	<u>\$ 20,831</u>	<u>\$ 20,831</u>	<u>\$ 150</u>
56100 INSURANCE CARRIER PREMIUMS				
ASSETS				
Cash	\$ 78,071	\$ 2,911,535	\$ 2,048,269	\$ 941,337
Deposits due from others	-	-	-	-
Due from other funds	<u>-</u>	<u>1,556,074</u>	<u>-</u>	<u>1,556,074</u>
TOTAL ASSETS	<u>\$ 78,071</u>	<u>\$ 4,467,609</u>	<u>\$ 2,048,269</u>	<u>\$ 2,497,411</u>
LIABILITIES				
Accounts payable	\$ 78,071	\$ 7,238,517	\$ 6,306,823	\$ 1,009,765
Deposits held in custody for others	<u>-</u>	<u>7,837,198</u>	<u>6,349,552</u>	<u>1,487,646</u>
TOTAL LIABILITIES	<u>\$ 78,071</u>	<u>\$ 15,075,715</u>	<u>\$ 12,656,375</u>	<u>\$ 2,497,411</u>

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS (CONTINUED)
June 30, 2013

	<u>Balance as of June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance as of June 30, 2013</u>
11490 GOV RESIDENCE PRESERVATION				
ASSETS				
Cash	\$ -	\$ 1,950	\$ -	\$ 1,950
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 1,950</u>	<u>\$ -</u>	<u>\$ 1,950</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deposits held in custody for others	<u>-</u>	<u>1,950</u>	<u>-</u>	<u>1,950</u>
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ 1,950</u>	<u>\$ -</u>	<u>\$ 1,950</u>



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

Mr. Ed Burckle, Secretary
State of New Mexico
General Services Department and
Mr. Hector H. Balderas
New Mexico State Auditor

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, the fiduciary funds, the budgetary comparisons of the general fund of the New Mexico General Services Department (Department), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements, and the combining and individual funds and related budgetary comparisons of the Department and have issued our report thereon dated December 13, 2013.

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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weakness and significant deficiencies.

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. We consider the deficiencies described as 2012-003 and 2013-002 in the accompanying schedule of findings and responses to be material weaknesses.

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. We consider the deficiency described as 2013-001 in the accompanying schedule of findings and responses 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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which is described as item 2011-004.

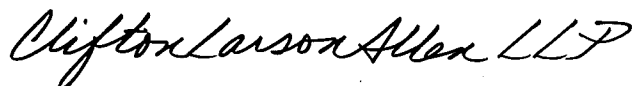
The Department's Response to Findings

The Department's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Department's responses were not subjected to the auditing procedures applied in the audit of the financial statements 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP



Albuquerque, New Mexico
December 13, 2013

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
SCHEDULE OF FINDINGS AND RESPONSES
June 30, 2013

Section II – Financial Statement Findings

Finding 2011-004 Significant Deficit in Risk Management Net Assets Accounts (Other Matter)

Condition: The State of New Mexico manages its risks internally and sets aside assets for claim settlement through the Risk Management Division of the Department. As of June 30, 2013, enterprise funds established to manage the risk of loss exposure for public liability, workers' compensation, and group insurance premium had deficit net asset balances of approximately \$70.5 million, \$37.6 million, and \$41.9 million, respectively. It is noted that the deficits are largely due to the Department recording actuarial estimated losses based on conservative accounting principles.

Criteria: Good business and accounting practices require management evaluate liquidity needs and economic soundness of risk funds.

Cause: Premiums charged to other state agencies in part are based on state appropriations and budgets, rather than the actual actuary estimate of claims payable. This has led to deficit net asset balances in these funds.

Effect: The Department, as well as the State of New Mexico, risks not having the funds available to pay claims.

Recommendation: We recommend that the Department review the liability and the risk as it relates to the funding and premium levels currently established. The review should include an analysis of future expected cash flows and run-out projections of known claims and historical claim experiences to ensure that funding levels are adequate to meet current and future needs of the State of New Mexico and the Department.

Management's Response: Management continues to maintain that the GASB 10 requirement to gauge fund solvency based on having projected liabilities being 100% funded is unique for a public sector risk fund. The projected deficit would only occur in the hypothetical situation where the State of New Mexico went out of business, which is unlikely as compared with the private sector where this situation might occur. In that instance, the funding requirements placed on private insurance industry make sense.

In the case of the public liability fund, in particular, the reported estimate of potential claims is initially valued at the highest cost ("worst case" scenario). As claims mature over time, these estimates are adjusted to reflect more current information. More often, claims are resolved at lower amounts than this maximum "worst case" scenario that is communicated through actuarial reports to policy makers for transparency and planning as a conservative approach. The increased exposure reflected in the Long-term Liabilities is a good example of this process. Management felt it prudent to alert stakeholders of the maximum exposure associated with this fund. However, management strongly believes if the revised claim does progress through the courts, the actual cost will most likely be much lower.

The Department continues to recognize the actuarial soundness level of risk funds is a policy decision based on state revenues. Management is committed to a prudent plan to recoup claim

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
SCHEDULE OF FINDINGS AND RESPONSES
June 30, 2013

Section II – Financial Statement Findings (continued)

Finding 2011-004 Significant Deficit in Risk Management Net Assets Accounts (Control Deficiency) (continued)

costs and build fund solvency over time that minimizes the negative impact of increasing premiums to state agencies. Since projected claims never come due all at once, the option has been pursued to allow the funds to recover over time to meet targeted levels of 50% funding for most funds.

Management concurs with the importance of developing adequate rates to ensure fund sustainability while delivering these proposed rates in a timely manner for adequate consideration by the Department of Finance and Administration. Anthony "AJ" Forte, Division Director, prioritized rate development in January 2013, aiming at delivering the rate request for FY15. In addition, Mr. Forte has reinstated the Risk Management Advisory Board in 2013. The Division has also developed a robust monthly reporting to inform all stakeholders of trends and fund health.

Finding 2012-003 Risk Management Claims Expenses (Material Weakness)

Condition: During our testwork over risk management claims disbursements, we noted variances in the amount of claims disbursements per the Department's claims management subsidiary ledger (ATS) versus the amount recorded on the general ledger. The initial variance at June 30, 2013 was approximately \$866,000 for Worker's Compensation claims where the general ledger was higher than the subsidiary ledger and \$2.4 million for Property Liability claims where the subsidiary ledger was higher than the general ledger. The Department did try to reconcile these variances for audit testwork, but they were unable to reconcile to an amount we could test during audit fieldwork.

Criteria: According to the Manual of Model Accounting Practices 2010, section FIN 13.1 *External System*, accounting transactions originating from a subsidiary system into SHARE must be recorded and reconciled on a timely basis.

Cause: Ineffective internal controls over the initiation of RMD disbursements and adequate reviews not taking place prior to the processing of transactions and their relation to the SHARE general ledger.

Effect: At year end, there were material variances between the subsidiary ledger and the SHARE general ledger of approximately \$866,000 for Worker's Compensation claims where the general ledger was higher than the subsidiary ledger and \$2.4 million for Property Liability claims where the subsidiary ledger was higher than the general ledger.

Recommendation: We recommend the Department institute stronger internal controls as they pertain to Risk Management Division funds, conduct adequate reviews of transactions prior to processing them, and reconcile claims expenses between the ATS system and the general ledger on a monthly basis.

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
SCHEDULE OF FINDINGS AND RESPONSES
June 30, 2013

Section II – Financial Statement Findings (continued)

Finding 2012-003 Risk Management Claims Expenses (Material Weakness) (continued)

Management's Response: Management was aware of the importance of reconciling ATS and General Ledger on a monthly basis and addressed it through additional staff training in Risk Management Division (RMD). However, due to subsequent staff turnover and vacancies in RMD, this task of reconciling claims was not performed. Administrative Services Division (ASD) did perform weekly monitoring of claims expense and cash disbursements to detect any unusual variances throughout the year. ASD and RMD will be developing a work plan to ensure this reconciliation is performed in FY14.

2013-001 Land Reconciliation (Significant Deficiency)

Condition: During test work over capital assets, we noted the beginning balance for land identified by the Department did not agree to the ending balance at June 30, 2012. The Department informed us they are in the process of reconciling all land assets because they identified discrepancies during their transition to their new capital asset software. These discrepancies include variances from the prior capital assets software (GEAC), the imported balances to the new software (SunSystems), the Department's internal Land Holdings Listing, and the annual audited financial statements. At the time this audit was completed, the dollar value of the reconciliation was unknown.

Criteria: The Manual of Model Accounting Practices, section Fin 6.4, *Recording and Reporting Capital Assets*, states that Agencies shall record and report state owned capital assets in accordance with state law, state rule, and Generally Accepted Accounting Principles. Capital assets shall be recorded at the time of acquisition at cost (including ancillary costs) as determined by the amount paid for purchased assets or at cost of construction for constructed assets, or at estimated fair market value for donated capital assets.

Cause: Lack of historical communication between the Financial Division of the Department and the Property Control Division regarding land values when acquired.

Effect: Land balances in the Department's capital asset software could be misstated.

Recommendation: We recommend the Department continue to perform a thorough reconciliation of their land capital assets to identify all properties they own, as well as the appropriate value of the respective land properties.

Management's Response: : The ASD/General Ledger Bureau identified these discrepancies in land listings and valuations during the Construction in Progress (CIP)/Capital Asset reconciliation performed in FY13. However, due to the magnitude of the land assets requiring additional analysis, ASD/General Ledger Bureau determined a separate work plan would be required to fully research and reconcile this portion of capital assets. ASD/General Ledger and Facilities Management Division are committed to coordinating this land reconciliation process to address these discrepancies and establishing procedures for the timely and accurate recording of all capital assets going forward.

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
SCHEDULE OF FINDINGS AND RESPONSES
June 30, 2013

Section II – Financial Statement Findings (continued)

2013-002 Restatement – Construction in Process (Material Weakness)

Condition: During the year, the Department performed a thorough review of its construction in process and identified projects that were completed and transferred to depreciable assets from prior years; however, they were not deleted from the construction in process category during this transfer. Because certain assets were included in both buildings and construction in process, this created an overstatement of construction in process of approximately \$63.7 million at the year ending June 30, 2012.

Criteria: In accordance with Generally Accepted Accounting Principles, capital assets shall be recorded at the time of acquisition at cost (including ancillary costs) as determined by the amount paid for purchased assets or at cost of construction for constructed assets, or at estimated fair market value for donated capital assets.

Cause: Lack of historical communication between the Financial Division of the Department and the Property Control Division regarding projects that have been completed and are to be transferred to depreciable asset categories.

Effect: The Department's beginning net position has been restated to reduce beginning net position by approximately \$63.7 million.

Recommendation: We recommend the Department continue to perform a thorough reconciliation of their construction in process to ensure projects included in this category are still in process. On an annual basis, the Department should perform a review of all projects and have management of the Property Control Division document its review of all projects to mitigate this situation from occurring in the future.

Management's Response: Facilities Management Division, formally Property Control Division, has been instructed on the importance of closing out Capital Improvement Projects to Fixed Assets in a timely and efficient manner. During the CIP/fixed asset review project, Administrative Services Division did identify procedures, training and reorganization of CIP project files to efficiently capture and cross-reference financial data used to close-out projects. Administrative Services Division will monitor expenses and budgets for each project and will request a status update from Facilities Management Division on when it appears that a project is approaching close-out. Administrative Services Division will also perform due diligence to confirm that depreciable assets are not entered twice within SUNSystems.

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
SCHEDULE OF FINDINGS AND RESPONSES
June 30, 2013

Section III – Federal Award Findings and Questioned Costs

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

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
June 30, 2013

Section II – Financial Statement Findings

Finding 06-22 – Capital Assets (Material Weakness) – Resolved

Condition: During test work over capital assets, the following items were noted:

- An annual physical inventory as required by State law of moveable items was not conducted by the Risk Management Division for the year ended June 30, 2012. Further, it was noted that the Department's Aviation Division verified that they had conducted a capital asset inventory observation and attested to having two high-dollar assets that were not actually on-hand at year-end.
- While performing testwork on the Department's fixed assets, it was noted that 45 vehicles that had been sold or disposed of during the year had not been removed from the general ledger. The total net book value of these assets was \$0 as they all had been fully depreciated.
- It was noted during our testing of construction in process that the Department does not have an effective process to track construction in process and the related completed projects. During the year, the Department only recorded \$6.3 million of project close-outs, but a total of \$7.8 million of costs were actually closed out during the year.
- Depreciation expense was not reflected in the general ledger. The total amount of the unrecorded depreciation expense was approximately \$2.4 million.

Finding 11-02 Cash Deposits (Control Deficiency) – Resolved

Condition: While performing a test of controls over cash receipts, we noted 3 instances out of 22 tested where deposits were not made within twenty-four hours. In all instances, it was four days before the deposit was made.

Finding 11-04 Significant Deficit in Risk Management Net Assets Accounts (Control Deficiency) – Repeated and Modified

Condition: The State of New Mexico manages its risks internally and sets aside assets for claim settlement through the Risk Management Division of the Department. As of June 30, 2012, enterprise funds established to manage the risk of loss exposure for public liability and workers' compensation had deficit net asset balances of approximately \$146.2 million and \$29.4 million, respectively. It is noted that the deficits are largely due to the Department recording actuarial estimated losses based on conservative accounting principles.

Finding 12-01 Accurate Personnel Files Not Maintained (Control Deficiency) – Resolved

Condition: During our internal control/compliance testwork in the area of payroll, we noted that in 1 instance out of 22 items sampled, a deduction was taken for dental insurance but the enrollment form in the employee file indicated that this coverage was waived. The amount deducted from the employee's paycheck was \$8.03 on a bi-weekly basis or \$208.78 for the year.

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
June 30, 2013**

Section II – Financial Statement Findings (continued)

Finding 12-02 Travel and Per Diem Transactions (Control Deficiency) – Resolved

Condition: While performing a test of controls over travel and per diem disbursements, we noted 1 instance out of 22 where the Department was out of compliance with State compliance requirements. In this instance, there was no evidence that one of the purchases was approved, as required by GSD policy. The total amount of the unapproved disbursement was \$72.

Finding 12-03 Risk Management Claims Expenses (Material Weakness) – Repeated and Modified

Condition: During our journal entry testing, we noted 3 separate journal entries out of our sample of 14 where the entry was made to correct an overpayment, duplicate payment, or payment to the wrong vendor. All of the journal entries involved Risk Management Division (RMD) funds and it was determined that proper review was not taking place in a timely manner to prevent and correct these errors from occurring. The total amount of the journal entries that were posted to correct these errors was \$2,100.96. Further, we noted that reconciliations were not taking place between the Department's ATS system (for claims tracking) and the general ledger.

Section III – Federal Award Findings and Questioned Costs

Finding 11-05 Davis Bacon Compliance and Internal Control (Material Weakness) – Resolved

Grant: State Energy Program / CFDA #: 81.041 / Questioned Costs: \$0

Condition: During our single audit test work over Davis Bacon compliance requirements, we noted that the Department was not reviewing Certified Payroll Reports (CPR) of their contractors and subcontractors on a regular basis during the course of the grant year. However, we did note that after the Department was made aware of its non-compliance with this requirement in December of 2011, it hired a temporary employee to ensure these documents were obtained and requested CPRs from the vendors who had not submitted them prior to being paid. We reviewed the files and verified that the Department did in fact obtain certified payroll reports from contractors who had not previously submitted them.

Finding 12-04 Cash Management Compliance and Internal Control (Material Weakness) – Resolved

Grant: State Energy Program / CFDA #: 81.041 / Questioned Costs: \$0

Condition: During our single audit test work over compliance with cash management grant requirements, we noted that out of 37 disbursements tested, 12 were submitted for reimbursement prior to the Department initiating payment to the vendors for these costs. As these grant monies are received on a reimbursement basis, the Department is required to expend its own resources for the costs of the program prior to submitting them for reimbursement.

**STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT
EXIT CONFERENCE
June 30, 2013**

An exit conference was held with the Department on December 5, 2013. The conference was held at the offices of the General Services Department in Santa Fe, New Mexico. The conference was held in a closed meeting to preserve the confidentiality of the audit information prior to the official release of the financial statements by the State Auditor. In attendance were:

STATE OF NEW MEXICO GENERAL SERVICES DEPARTMENT

Ed Burckle, Cabinet Secretary
Robert M. Unthank, Deputy Cabinet Secretary
Michelle Aubel, ASD Director
H. Brian Mirabal, GL Bureau Chief
Bernard Fothergill, Internal Auditor

CLIFTONLARSONALLEN LLP

Raul J. Anaya, CPA, CGFM, CFE, Senior Manager

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