



**STATE OF NEW MEXICO
REGULATION AND LICENSING
DEPARTMENT**

FINANCIAL STATEMENTS

JUNE 30, 2011

MOSS ADAMS_{LLP}

Certified Public Accountants | Business Consultants

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REGULATION AND LICENSING DEPARTMENT**

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REGULATION AND LICENSING DEPARTMENT**

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STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT

Official Roster
As of June 30, 2011

ADMINISTRATIVE OFFICIALS

J. Dee Dennis, Jr.	Superintendent
Mary Kay Root	Deputy Superintendent and Acting Director, Boards and Commissions Division
Larissa Byrd	CFO and Administrative Services Division Director
Richard Tavelli	Director, Construction Industries Division and Manufactured Housing Division
Daniel Tanaka	Director, Securities Division
Adrian Martinez	Acting Director, Financial Institutions Division
Gary Tomada	Director, Alcohol and Gaming Division

Report of Independent Auditors

J. Dee Dennis, Jr., Superintendent
State of New Mexico
Regulation and Licensing Department
and
Mr. Hector H. Balderas
New Mexico State Auditor
Santa Fe, New Mexico

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of the State of New Mexico Regulation and Licensing Department (Department) as of and for the year ended June 30, 2011, which collectively comprise the Department's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the Department's nonmajor governmental funds, including the budgetary comparisons, and fiduciary funds presented in the accompanying combining and individual fund financial statements as supplementary information as of and for the year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the Department's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

J. Dee Dennis, Jr., Superintendent
State of New Mexico
Regulation and Licensing Department
and
Mr. Hector H. Balderas
New Mexico State Auditor
Santa Fe, New Mexico

As discussed in Note 1, the financial statements of the Department are intended to present the financial position and the changes in financial position of only that portion of the governmental activities each major fund and the aggregate remaining fund information reporting entity of the State of New Mexico that is attributable to the transactions of the Department. They do not purport to, and do not, present fairly the financial position and budgetary comparisons for the year then ended of the State of New Mexico as of June 30, 2011, and the changes in its financial position where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Department as of June 30, 2011, and the respective changes in financial position and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund and fiduciary fund of the Department as of June 30, 2011, and the respective changes in financial position and the respective budgetary comparisons for the nonmajor funds for the year then ended in the conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2011, on our consideration of the Department's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That

J. Dee Dennis, Jr., Superintendent
State of New Mexico
Regulation and Licensing Department
and
Mr. Hector H. Balderas
New Mexico State Auditor
Santa Fe, New Mexico

report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 5 through 9 are not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the basic financial statements and the combining and individual fund financial statements and budgetary comparisons. The accompanying schedules listed in the table of contents as supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Mess Adams LLP

Albuquerque, New Mexico
December 6, 2011

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011**

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Regulation and Licensing Department's discussion and analysis provides an overview of the financial activities for the fiscal year ended June 30, 2011. Since this information is designed to focus on the current year's activities, resulting changes, and currently known facts, it should be read in conjunction with the financial statements.

USING THE FINANCIAL STATEMENTS

The financial statements consist of three sections. The first section is the Introductory Section. The second is the Financial Section, which includes the management's discussion and analysis (this section), the basic financial statements, Individual Fund Statements, and the Supplementary Information. The third section is the Other Information section which consists of the report on internal controls and schedules of prior and current year findings.

The basic financial statements include a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Department as a whole and present a longer-term view of the Department's finances. The fund financial statements follow. For governmental activities, these statements tell how these services were financed for the reporting period. Fund financial statements report the Department's operations in more detail than the government-wide statements by providing information about the Department's most significant funds, which are the General Fund, the Securities Enforcement and Investor Education fund, the Board of Pharmacy and the Real Estate Commission.

The Statement of Net Assets and the Statement of Activities

One of the most important questions asked about the Regulation and Licensing Department's finances is, "Is the Department as a whole better or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the Department as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011**

These two statements report the Department's net assets and changes in them. You can think of the Department's net assets — the difference between assets and liabilities—as one way to measure the Department's financial health, or financial position. Over time, increases or decreases in the Department's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the revenue projections of the State in general and the size of the licensing pools, to assess the overall health of the Department.

In the Statement of Net Assets and the Statement of Activities, the Department presents Governmental activities. All of the Department's activities are reported here. Appropriations from the state general fund and licensing fees finance most activities.

Fund Financial Statements

The fund financial statements provide detailed information about the general fund, the Pharmacy Board and the Real Estate Commission, and a summary of all the non major funds. The Department's funds are reported using an accounting method called modified accrual accounting. This method measures cash and all other financial assets that can be readily converted to cash. The fund statements provide a detailed view of the Department's operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the future to finance the Department's programs.

The Department as Fiduciary

The Department is the fiduciary over assets which are collected on behalf of the State General Fund. The Department's fiduciary activities are reported in separate Statement of Changes in Assets and Liabilities. We exclude these activities from the Department's other financial statements because the Department cannot use these assets to finance its operations.

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011**

THE DEPARTMENT AS A WHOLE

The Department's net assets increased by \$1,897,883 from \$10,209,676 to \$12,107,559. In contrast, last year net assets decreased by \$1,828,492. Our analysis below focuses on the net assets and changes in net assets of the Department's governmental activities.

Statement of Net Assets	June 30, 2011	June 30, 2010
Government Activities		
Current and other assets	\$ 21,517,727	\$ 19,002,955
Capital assets	353,670	235,793
Total assets	<u>21,871,578</u>	<u>19,238,748</u>
Current liabilities	9,282,283	8,500,392
Long-term liabilities	481,555	528,680
Total Liabilities	<u>9,763,838</u>	<u>9,029,072</u>
Net assets		
Invested in capital assets	353,670	235,793
Unrestricted	11,753,889	9,973,883
Total net assets	<u>\$ 12,107,559</u>	<u>\$ 10,209,676</u>

The Department realized an eighteen percent increase in net assets over fiscal year 2010. The increases were due to items such as prepaid postage and capital assets. Notable decreases in liabilities include accounts payable and compensated absences.

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011**

Statement of Activities	June 30, 2011	June 30, 2010
Government Activities		
Operating grants and charges for services	\$ 10,269,265	\$ 10,017,328
General fund appropriations	13,589,200	15,861,300
Special appropriations	-	100,000
Net transfers (out) in	375,063	(4,071,200)
Reversions	(1,706,252)	(1,728,640)
Other	15,891	9,640
Total revenue	<u>22,543,167</u>	<u>20,202,552</u>
Program expense	<u>20,645,284</u>	<u>22,016,920</u>
Change in net assets	1,897,883	(1,828,492)
Net assets, beginning of year	<u>10,209,676</u>	<u>12,038,168</u>
Net assets, end of year	<u>\$ 12,107,559</u>	<u>\$ 10,209,676</u>

The Department's total revenues increased by about twelve percent or \$2,340,615. The increase in revenues is largely related to grants received in ARRA funds. The total cost of all programs and services decreased by \$1,371,636, or more than six percent. The Department continues to identify ways to reduce expenses.

THE DEPARTMENT'S FUNDS

As the Department completed the year, it reported a combined fund balance of \$12,608,621, which is above last year's total of \$10,958,920.

Budgetary Highlights

Over the course of the year, the Regulation and Licensing Department adjusted the budget in accordance with the General Appropriation Act. These budget adjustments allowed fall into two categories. The two categories are transfers between categories and budget increases of up to 5 percent in the special revenue funds. The Department's general fund appropriation was decreased by 3.2% per the 49th Legislature, 2nd Special Session, Laws 2010, Chapter 6, Section 14.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2011, the Department had \$353,670 invested in capital assets, including vehicles and IT Equipment. This amount represents a net increase of about \$117,887, or about fifty percent over last year.

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2011**

This year's major additions totaled \$141,209. Additions include various IT Equipment, including a case management system for \$117,937.

Long-Term Liabilities

The Department's obligations include accrued vacation pay and sick leave. They have remained stable.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Department's budget is determined by an annual appropriation from the Legislature. In fiscal year 2011, due to projected revenue shortfalls, the Department realized a budget reduction of 3.2% of General Fund appropriations. The consensus revenue estimating group, which is comprised of economists from the executive and legislative branches, presented the October 2011 General Fund Consensus Revenue Outlook, which is a revision to the July 2011 forecast. The October 2011 forecast revised the FY 12 total recurring revenue downward by \$21.5 million to \$5,511.9 million. This results in total recurring revenue growth of 2.3% in FY 12 over FY 11, which is a decrease from FY 11 with 12.3% growth. Total appropriations are projected to exceed total revenue by \$564.0 million leaving a reserve of 10.4%. If revenues fall short of the amounts forecasted and there is insufficient funding to meet the General Fund appropriation for FY 12, a possible reduction in General Fund appropriations may occur.

CONTACTING THE DEPARTMENT'S FINANCIAL MANAGEMENT

The Department's financial statements are designed to provide users with a general overview of the Department's finances and to show the Department's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Department's Chief Financial Officer and Administrative Services Division Director at (505) 476-4800 or at the Department's Administrative Services Division office located in the Toney Anaya Building, 2550 Cerrillos Road, Santa Fe, NM 87505.

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF NET ASSETS
June 30, 2011

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Interest in State Treasurer General Fund Investment Pool	\$ 21,177,284
Accounts receivable	112,348
Prepaid postage	138,773
Due from other state agencies	56,138
Due from federal government	5,591
Inventories	27,593
Total current assets	<u>21,517,727</u>
Capital assets	
Capital assets	830,471
Accumulated depreciation	(476,801)
Total noncurrent assets	<u>353,670</u>
Total assets	<u>21,871,397</u>
LIABILITIES AND NET ASSETS	
Current Liabilities	
Accounts payable	514,781
Accrued payroll	521,654
Due to State Treasurer Investment Pool	52,439
Due to Federal Government	2,515
Deferred revenue	6,112,012
Reversions payable to State General Fund	1,705,705
Compensated absences	373,177
Total current liabilities	<u>9,282,283</u>
Long-term Liabilities	
Compensated absences	481,555
Total long-term liabilities	<u>481,555</u>
Total liabilities	<u>9,763,838</u>
Net assets	
Invested in capital assets	353,670
Unrestricted	11,753,889
Total net assets	<u>\$ 12,107,559</u>

See Notes to Financial Statements.

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF ACTIVITIES
Year Ended June 30, 2011

		Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants	Governmental Activities	
Governmental Activities					
Construction Industries	\$ 8,455,342	-	-	(8,455,342)	
Financial Institutions	2,274,463	552	-	(2,273,911)	
Alcohol and Gaming	843,644	135	-	(843,509)	
Pharmacy Program	1,149,021	1,703,405	-	554,384	
Real Estate Commission	661,419	1,009,987	-	348,568	
Securities Inforcement and Investors Education	439,309	744,805	-	305,496	
Boards and Commissions	3,965,648	5,880,812	236,749	2,151,913	
Program Support	2,856,438	421,283	271,537	(2,163,618)	
	Total governmental activities	20,645,284	9,760,979	508,286	(10,376,019)
General Revenues					
Transfer - General Fund appropriation				13,589,200	
Transfers in				375,063	
Reversion to State General Fund				(1,706,252)	
Interest and investment earnings				15,891	
				Total general revenues	
				12,273,902	
Changes in net assets				1,897,883	
Net assets, beginning				10,209,676	
Net assets, ending				\$ 12,107,559	

See Notes to Financial Statements.

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2011

	4330	0440	4640	4670		Total
	General	Securities Enforcement and Investor Education	Board of Pharmacy	Real Estate Commission	Non-Major Funds	Governmental Funds
	Fund					
ASSETS						
Interest in State Treasurer General Fund Investment Pool	\$ 552,989	2,405,431	2,614,838	1,835,196	13,768,830	21,177,284
Accounts receivable	95,412	4,675	-	-	12,261	112,348
Prepaid postage	40,538	1,684	-	4,796	91,755	138,773
Due from other funds	1,787,276	-	-	3,475	34,978	1,825,729
Due from other state agencies	1,961	216	-	-	53,961	56,138
Due from federal government	-	-	-	-	5,591	5,591
Inventories	-	-	-	-	27,593	27,593
Total assets	\$ 2,478,176	2,412,006	2,614,838	1,843,467	13,994,969	23,343,456
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 342,548	53,392	40,820	1,518	76,503	514,781
Accrued payroll	379,924	8,223	30,017	14,424	89,066	521,654
Due to State Treasurer Investment Pool	-	-	-	-	52,439	52,439
Deferred revenues	-	-	1,374,218	1,093,802	3,643,992	6,112,012
Due to state general fund	1,705,705	-	-	-	-	1,705,705
Due to other funds	8,546	4,134	459,493	393,370	960,186	1,825,729
Due to Federal Government	915	-	100	-	1,500	2,515
Total liabilities	2,437,638	65,749	1,904,648	1,503,114	4,823,686	10,734,835
Fund Balances						
Nonspendable:						
Prepaid postage	40,538	1,684	-	4,796	91,755	138,773
Inventories	-	-	-	-	27,593	27,593
Restricted	-	2,344,573	710,190	335,557	9,179,676	12,569,996
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	(127,741)	(127,741)
Total fund balances	40,538	2,346,257	710,190	340,353	9,171,283	12,608,621
Total liabilities and fund balances	\$ 2,478,176	2,412,006	2,614,838	1,843,467	13,994,969	23,343,456

See Notes to Financial Statements.

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
WITH THE STATEMENT OF NET ASSETS
June 30, 2011**

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

Total fund balance - governmental funds	\$ 12,608,621
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Capital assets used in governmental activities are not financial
resources and therefore are not reported as assets in
governmental funds.

The cost of capital assets	\$ 830,471
Accumulated depreciation	<u>(476,801)</u>

Cost of capital assets less accumulated depreciation	353,670
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Long-term liabilities are not due and payable in
the current period and therefore are not reported as liabilities
in the funds. Long-term liabilities at year-end consist of

Compensated absences (vacation)	<u>(854,732)</u>
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Total net assets - governmental activities	<u><u>\$ 12,107,559</u></u>
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See Notes to Financial Statements.

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2011

	4330	0440	4640	4670		
	General	Securities	Board of	Real	Non-Major	Total
	Fund	Enforcement	Pharmacy	Estate	Funds	
		and Investor		Commission		
		Education				
Revenues						
License fees	\$ 85,005	631,210	1,654,266	841,795	4,976,016	8,188,292
Services	-	-	27,818	38,297	407,089	473,204
Publications	-	-	1,550	13,229	12,500	27,279
Federal sources	271,537	-	-	-	236,749	508,286
Interest on investments	-	4,131	-	-	11,760	15,891
Other revenues	88,965	113,595	19,771	116,666	485,207	824,204
Total revenues	445,507	748,936	1,703,405	1,009,987	6,129,321	10,037,156
Expenditures						
Current						
Personal services and employee benefits	11,904,821	171,223	920,679	559,344	3,081,535	16,637,602
Contractual services	502,173	124,184	18,729	-	303,523	948,609
In-state travel	66,539	1,952	17,011	1,857	117,844	205,203
Maintenance and repairs	27,953	19	4,971	604	2,157	35,704
Supplies and materials	291,743	14,065	22,010	7,437	67,789	403,044
Operating costs	1,595,756	127,806	157,143	88,236	341,074	2,310,015
Other costs	32,980	60	6,988	3,941	40,041	84,010
Out-of-state travel	274	-	1,490	-	5,936	7,700
Capital outlay	7,830	-	-	-	5,749	13,579
Total expenditures	14,430,069	439,309	1,149,021	661,419	3,965,648	20,645,466
Revenues over (under) expenditures	(13,984,562)	309,627	554,384	348,568	2,163,673	(10,608,310)
Other financing sources (uses)						
Transfers in-interagency	264,263	-	-	-	110,800	375,063
Transfers in-interfund	1,083,883	-	-	-	-	1,083,883
Transfers out-intefund	-	-	(206,125)	(282,965)	(594,793)	(1,083,883)
General Fund appropriation	13,501,600	-	-	-	87,600	13,589,200
Reversions to state general fund	(1,706,252)	-	-	-	-	(1,706,252)
Total financing sources (uses)	13,143,494	-	(206,125)	(282,965)	(396,393)	12,258,011
Net change in fund balances	(841,068)	309,627	348,259	65,603	1,767,280	1,649,701
Fund balances, beginning of year, as restated	881,606	2,036,630	361,931	274,750	7,404,003	10,958,920
Fund balances - ending	\$ 40,538	2,346,257	710,190	340,353	9,171,283	12,608,621

See Notes to Financial Statements.

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT
OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES WITH
THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2011**

Total net change in fund balances - governmental funds \$ 1,649,701

Amounts reported for governmental activities in the statement of activities are different because

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities these costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.

Capital asset additions	\$	297,039
Loss on disposal of assets		-
Depreciation expense		<u>(179,162)</u>

Net Change in Capital Assets 117,877

Accrued compensated absences are recorded as liabilities in the long-term debt group of accounts in the governmental funds. However, for government activities, these costs are shown in the Statement of Net Assets and the changes in the liability are recorded as a reduction or increase in the current personal services category.

Change in accrued compensated absences		<u>130,305</u>
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Changes in net assets of governmental activities **\$ 1,897,883**

See Notes to Financial Statements.

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
State General Fund appropriation	\$ 14,204,500	13,751,600	13,501,600	(250,000)
Other licenses and permits	-	-	85,005	85,005
Federal funds	308,237	430,420	271,537	(158,883)
Miscellaneous revenue	-	-	-	-
Other revenue	-	-	88,965	88,965
Other financing sources	1,434,100	1,409,100	1,348,146	(60,954)
Total revenues	15,946,837	15,591,120	15,295,253	(295,867)
Expenditures				
Personnel services and employee benefits	12,972,260	12,671,200	11,904,821	766,379
Contractual services	633,294	560,712	502,173	58,539
Other	2,341,283	2,359,208	2,023,075	336,133
State General Fund Reversion	-	-	1,706,252	(1,706,252)
Total expenditures	15,946,837	15,591,120	16,136,321	(545,201)
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	-	-	\$ (841,068)	(841,068)
Cash balance carryforward	-	-		
Total	\$ -	-		

See Notes to Financial Statements.

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
SECURITIES ENFORCEMENT AND INVESTOR EDUCATION FUND
Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Interest on investments	\$ 40,000	40,000	4,131	(35,869)
Trades and professions licenses	360,000	360,000	631,210	271,210
Other gifts and grants	-	17,000	-	(17,000)
Other penalty	162,300	162,300	113,595	(48,705)
Total revenues	<u>562,300</u>	<u>579,300</u>	<u>748,936</u>	<u>169,636</u>
Expenditures				
Personnel services and employee benefits	219,100	219,100	171,223	47,877
Contractual services	175,300	183,800	124,184	59,616
Other	167,900	176,400	143,902	32,498
Total expenditures	<u>562,300</u>	<u>579,300</u>	<u>439,309</u>	<u>139,991</u>
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	-	-	<u>\$ 309,627</u>	<u>309,627</u>
Cash balance carryforward	-	-		
Total	<u>\$ -</u>	<u>-</u>		

See Notes to Financial Statements.

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
BOARD OF PHARMACY
Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 110,000	110,000	-	(110,000)
Other licenses and permits	-	-	-	-
Registration for trades and professions licenses	1,372,300	1,372,300	1,654,266	281,966
Trades and professions examination fees	500	500	-	(500)
Other current services	33,000	33,000	27,818	(5,182)
Other publications	2,500	2,500	1,550	(950)
Interest on bank deposits	-	-	-	-
Other Grants	-	-	-	-
Court fines and forfeitures	5,000	5,000	-	(5,000)
Other penalties	9,000	9,000	-	(9,000)
Auto Property	-	-	-	-
Miscellaneous revenue	-	-	19,771	19,771
Other financing sources	-	-	-	-
Total revenues	1,532,300	1,532,300	1,703,405	171,105
Expenditures				
Personnel Services and employee benefits	1,004,200	1,080,800	920,679	160,121
Contractual services	20,500	23,800	18,729	5,071
Other	242,300	239,000	209,613	29,387
Other financing uses	265,300	265,300	206,125	59,175
Total expenditures	1,532,300	1,608,900	1,355,146	253,754
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	-	(76,600)	\$ 348,259	424,859
Cash balance carryforward	-	76,600		
Total	\$ -	-		

See Notes to Financial Statements.

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
REAL ESTATE COMMISSION
Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 200,400	200,400	841,795	641,395
Other licenses and permits	-	-	-	-
Registration for trades and professions licenses	564,700	564,700	-	(564,700)
Other registration fees	47,000	47,000	-	(47,000)
Trades and professions examination fees	36,700	36,700	-	(36,700)
Other current services	-	-	38,297	38,297
Manuals and codes	8,500	8,500	-	(8,500)
Other publications	-	-	13,229	13,229
Other penalties	40,700	40,700	-	(40,700)
Miscellaneous revenue	-	-	116,666	116,666
Other financing sources	-	-	-	-
Total revenues	898,000	898,000	1,009,987	111,987
Expenditures				
Personnel services and employee benefits	604,700	604,700	559,344	45,356
Contractual services	26,500	26,500	-	26,500
Other	194,800	194,800	102,075	92,725
Other financing uses	364,200	364,200	282,965	81,235
Total expenditures	1,190,200	1,190,200	944,384	245,816
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	(292,200)	(292,200)	\$ 65,603	357,803
Cash balance carryforward	292,200	292,200		
Total	\$ -	-		

See Notes to Financial Statements.

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS
June 30, 2011**

	<u>Agency Funds</u>
ASSETS	
Interest in State Treasurer General Fund Investment Pool	\$ 234,360
LIABILITIES	
Due to State General Fund	\$ 234,360

See Notes to Financial Statements.

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 1. HISTORY, MISSION AND ORGANIZATION

General Information and Function of Entity. The State of New Mexico and Licensing Department (Department) was created July 1, 1983, by the Regulation and Licensing Department Act (Laws of 1983, Chapter 297, Section 19 through 29). The Act provided that the administration of professional and occupational licensing functions of the executive branch of state government may be consolidated under the supervision of the Department upon executive order issued by the Governor. This consolidation was completed during the fiscal year ended June 30, 1987.

The mission of the Department is to enforce applicable laws, rules, regulation and codes and administer them in a manner that affects a balanced approach to public safety, financial welfare and the development of the regulated industries. The Department consists of the Office of the Superintendent and six divisions: the Administrative Services Division, the Construction Industries Division, the Manufactured Housing Division, the Financial Institutions Division, the Securities Division and the Alcohol and Gaming Division.

The Administrative Services Division (ASD) provides the Department with fiscal, personnel, management information systems, and other support services and acts as liaison with the Department of Finance and Administration, General Services Department, State Personnel, State Auditor, State Treasurer, Records and Archives and other general control agencies to ensure compliance with state laws and regulation.

The Regulation and Licensing Act (Laws of 1983, Chapter 297, Section 30) provides for the administration of professional and occupational licensing functions of the executive branch of state government under the supervision of the Regulation and Licensing Department upon executive and financial services to 30 boards and commissions. Each of the boards and commissions has Department employees assigned as staff which are responsible for licensing of individuals and for maintaining licensing files containing historical, continuing education and disciplinary information on each licensee, thereby providing daily accessibility to the public, licensees, legislators and board members. Additionally, the staff is responsible for the daily execution of board operations, including all licensing and examination functions, preparing minutes of board meetings, responding to inquiries, taking actions as required by the boards they serve, and coordinating actions with appropriate officials and agencies.

Complaints received are reviewed by the boards, referred for investigation, when appropriate, and returned to the specific licensing boards for a determination of disciplinary action. Inspections are performed on sites or person who distribute,

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 1. HISTORY, MISSION AND ORGANIZATION (CONTINUED)

manufacture, or sell prescription drugs, cosmetology establishments, barber establishments, funeral homes and real estate offices in order to ensure compliance with statutes, regulations and minimum standards of sanitation, where applicable.

The Construction Industries Division (CID) administers examinations, licensing, certification, regulation, inspection, and supervision of individuals and businesses in the contracting and construction industries. The Division is required by law to "promote the general welfare of the people of New Mexico by providing for the protection of life and property by adopting and enforcing codes and standards for construction, alteration, installation, connection, demolition and repair work" pursuant to NMSA 1978 Compilation (1989 amendment). Section 60-13-1.1. CID also administers the Employee Leasing, Carnival Ride Insurance and Hoisting Operators Safety Acts pursuant to NMSA 1978, Sections 60-13A, 57-25 and 60-15 respectively.

The Securities Division is responsible for administering the New Mexico Securities Act of 1986 and the Model State Commodity Code. Pursuant to those laws the Division registers securities offerings, licenses securities sales representatives, broker-dealers, investment advisers and investment adviser representatives, and takes administrative civil enforcement action when necessary. The Division also administers the Securities Enforcement and Investor Education Fund, which is funded by administrative assessments levied against companies or individuals found to have violated the Securities Act.

The Manufactured Housing Division (MHD) supervises and regulates the manufactured housing industry within the state, with the exception of manufactured units used for commercial purposes that are regulated by the Construction Industries Division. The Manufactured Housing Act (NMSA 1978, 1983 Supplement, Section 60-14-20 Through 60-14-20) provides that its purpose is "to insure the purchasers and users of manufactured homes and essential conditions of health and safety which are their right and to provide that the business practices of the industry are fair and orderly among the members of the industry with due regard to the ultimate consumers in this important area of human shelter".

The Financial Institutions Division (FID) is responsible for administering the statutory requirements of the Banking Act, the Trust Company Act, Collection Agency Regulatory Act, the endowed Care Cemetery Act, the New Mexico Small Loan Act, the Mortgage Loan Company and Broker Act, the Credit Union Regulatory Act, the Motor Vehicle Sales Finance Company Act, the Escrow Company Act, the

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 1. HISTORY, MISSION AND ORGANIZATION (CONTINUED)

Negotiable Check, Drafts and Money Order Act, the Retail Installment Sales Act, and the Savings and Loan Act. Additionally, the Director, by statute, is an ex officio voting member of the New Mexico Mortgage Finance Authority. The Division provides general supervision of all state-chartered financial institutions and regulated industries, with a primary focus to ensure the existence of safe and sound financial practices within the regulated entities.

The Alcohol and Gaming Division is the licensing and regulatory authority for the Liquor Control Act. The Division licenses and regulates the sales, services and public consumption of alcoholic beverages so as to protect the public health, safety and morals of each community. The Division is also charged with the ultimate disposition of any administrative charges filed against a licensee by the New Mexico Department of Public Safety Special Investigations Division. The Division is funded by an appropriation from the State of New Mexico General Fund. All fees from licenses, citations, and other administrative charges are transferred to the State of New Mexico General Fund.

Reporting Entity. In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in accounting principles generally accepted in the United States of America (GAAP) and Government Accounting Standards Board (GASB) Statement 14.

The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens.

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 1. HISTORY, MISSION AND ORGANIZATION (CONTINUED)

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, there was no component units identified that were excluded from the reporting entity.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basic Financial Statements

The accounting policies of the Department conform to accounting principles generally accepted in the United States of America as applicable to governmental entities.

The basic financial statements include both government-wide (based on the Department as a whole) and fund financial statements. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business type. The Department only has governmental activities. In the government-wide Statement of Net Assets, the governmental activities are presented on a consolidated basis and are reflected on the full accrual, economic resource basis, measurement focus, which incorporates long-term assets and receivables as well as long-term debt and obligations. Interfund balances and activity has been eliminated in the government-wide statements. A deficit (negative) balance in unrestricted net assets would indicate that obligations incurred in the current and prior periods exceed the value of assets currently available, and that the assets of future periods will be required to meet the established obligations.

The government-wide Statement of Activities reflects both the gross and net cost per functional category, which are otherwise being supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation expense on capital assets) by related program revenues, operating and capital grants. The program revenues must be directly associated with the function and consist primarily of fees and operating grants.

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements (Continued)

The net cost by function is normally covered by general revenue. Historically, the previous model did not summarize or present net cost by function or activity. The Department does not employ indirect cost allocation in the financial statements.

As to fund financial statements, emphasis is on the major funds of the governmental category. Nonmajor funds are summarized into a single column. The Department's major funds are the General Fund, Securities Enforcement and Investor Education, Board of Pharmacy and Real Estate Commission.

The governmental funds in the fund financial statements are presented on a current financial resource measurement focus and accrual basis of accounting.

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

Basis of Presentation - Fund Accounting

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 equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements into three generic fund types and two broad fund categories as follows:

Governmental Funds

Governmental funds are those through which general governmental functions of the Department are financed. The acquisition, use and balances of the Department's expendable financial resources and the related liabilities are accounted for through governmental fund types:

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation - Fund Accounting (Continued)

General Fund. The general fund is the general operating fund of the Department. All of the Divisions are supported by a New Mexico State General Fund appropriation. All other Department entities are self-supporting, through self-generated revenues. With minor exceptions, excess revenues revert to the New Mexico State General Fund at year-end. This fund is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds. Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The revenues collected through permits, licenses, and other registration and exam fees by the individual boards and commissions are to be used to fund the activities of each respective board or commission. The individual boards and commissions for which the Department has oversight authority are identified in the preamble to the Schedules of Revenue and Expenditures-Budget and Actual. Special revenue funds of the Department's governmental funds have been non-reverting to the State General Fund as outlined below.

In addition to the individual boards and commissions, there are special revenue funds that have been established. The purpose of these funds is enumerated in the preamble to the Schedules of Revenues and Expenditures - Budget and Actual.

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Basis of Presentation - Fund Accounting (Continued)

Special Revenue Fund	NMSA Authority
CID Revolving Fund	60-13-8.1
Accountancy	61-28B-6
Acupuncture	61-14A-18
Athletic Commission	60-2A-24
Athletic Trainers	61-14D-18
Barbers and Cosmetologist	61-17A-14
Chiropractic Examiners	61-4-7
Counselors and Therapists	61-9A-25
Dental Examiners	61-5A-26
Interior Design	61-24C-16
Landscape Architects	61-24B-14
Message Therapist	61-12C-23
Nursing Home Administrators	61-13-12
Nutrition and Dietetics	61-7A-12
Occupational Therapy	61-12A-20
Optometry	61-2-7
Osteopathic Medical Examiners	61-10-6
Pharmacy	61-11-9
Physical Therapists	61-12D-6
Podiatry	61-8-7
Private Investigators and Polygraph	61-27B-30
Psychologist Examiners	61-9-5
Real Estate Commission	61-29-8
Real Estate Appraisers	61-30-18
Respiratory Care Advisory	61-12B-13
Social Workers	61-31-16
Speech, Language and Audio	61-14B-24
Thanatopractice	61-32-26
Naprapathy	61-12E-13
Real Estate Recovery	61-29-21
Carnival Ride Insurance	57-25-3
Hoisting Operators	60-15-1 to 15
Sign Language Interpreting Services	61-34-13
Animal Shelter Services	77-1B-4

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Basis of Presentation - Fund Accounting (Continued)

In addition, the Vehicle Replacement and FID Revolving are considered reverting funds. RLD American Recovery and Reinvestment Act (ARRA), Mortgage Regulatory Fund, HUD Manufactured Housing and Osteopathic Examiners Funds have been considered non-reverting funds.

Fiduciary Funds. Fiduciary funds are used to account for assets held by the Department as an agent for other government and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The funds serve as suspense accounts for the deposit of receipts of the Alcohol and Gaming Division, Administrative Services Division, Construction Industries Division, Financial Institutions Division, Securities Division, and Manufactured Housing Division. At the close of each month, money received is transferred from the suspense accounts to the general fund.

Major Funds. The Department reports the following as major governmental funds:

General Fund
Securities Enforcement and Investor Education (Special Revenue Fund)
Board of Pharmacy (Special Revenue Fund)
Real Estate Commission (Special Revenue Fund)

Basis of Accounting. Basis of accounting refers to the point at which revenues, expenditures, transfers and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are presented on an accrual basis of accounting. The governmental funds in the fund financial statements are presented on a modified accrual basis. The fiduciary funds are presented using the economic resources measurement focus and the accrual basis of accounting.

The government-wide financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. The Department has elected to apply the provisions of all relevant pronouncements of the Financial

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Basis of Presentation - Fund Accounting (Continued)

Accounting Standards Board (FASB), including those issued after November 30, 1989. The governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (when they become both measurable and available). "Measurable" means the amount of the transaction can be determined. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred.

In applying the "susceptible to accrual" concept to intergovernmental revenues pursuant to GASB Statement 33, 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 revenues by the recipient.

Budgets and Budgetary Accounting. The State Legislature makes annual appropriations to the Department. Legal compliance is monitored through the establishment of an annual budget. Annual budgets are adopted each fiscal year for the General Fund and the Special Revenue Funds. Expenditures may not legally exceed appropriations at the object expenditure classification level. Amendments to the budget require approval by the State's Budget Division of the New Mexico Department of Finance and Administration (DFA). The budgets presented have been so amended during the fiscal year.

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

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

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Budgets and Budgetary Accounting

Appropriation request hearings are scheduled by the LFC. Budget hearings are also scheduled before the New Mexico House Appropriations and Senate Finance Committees. The final outcomes of these hearings are incorporated into the General Appropriations Act. The Act is signed into law by the Governor of the State of New Mexico within the legally prescribed time limit.

The Department submits to the DFA, no later than May 1, an annual operating budget by category and line item based upon the appropriation made by the Legislature. The DFA – Budget Division reviews and approves the operating budget which becomes effective on July 1. All subsequent budget adjustments must be approved by the director of the DFA - Budget Division and the LFC.

Legal budget control for expenditures is by category. Formal budgetary integration is employed as a management control device during the fiscal year for the General Fund.

Budgets are prepared in accordance with accounting principles generally accepted in the United States of America. Revenue from other sources is non-reverting. Charges for services consist primarily of fees charged to regulated entities.

The budget is adopted on a modified accrual basis of accounting (General Appropriations Act, Laws of 2006, Chapter 109, Section 3 Subsections O and N) except for accounts payable accrued at the end of the fiscal year that do not get paid by the statutory deadline (Section 6-10-4 NMSA 1978) that must be paid out of next year's budget. A reconciliation of budgetary basis to GAAP basis will be necessary if any accounts payable at the end of the fiscal year are not paid by the statutory deadline. The Department has not included such reconciliation for fiscal year 2011 as all payables were paid by the statutory deadline.

Prepaid Items. Prepaid balances are for payments made by the Department in the current year to provide postage for use in the subsequent fiscal year, and the reserve for prepayment has been recognized to signify that a portion of fund balance is not available for other subsequent expenditures.

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Inventories. Inventories consist of books and manuals for resale by the Construction Industries Division. Inventories are valued at cost using the first-in, first-out method. The reported nonspendable fund balance reservation indicates that the inventory does not represent available expendable resources for Department programs.

Other Financing Sources. The amounts recorded as "other financing sources" are overhead costs charged to various board and commissions. The costs are recorded as expenditures under other financing uses category. The revenue and costs are eliminated on the Statement of Activities.

Receivables. No allowance for doubtful accounts has been recorded as management estimates that all amounts are collectible.

Interfund Receivables and Payables. Short-term amounts owed between funds are classified as "Due from/to other funds". These are eliminated in the government-wide financial statements.

Capital Assets. Property, plant and equipment assets purchased or acquired at a value of \$5,000 or greater are capitalized. Though immaterial, capital assets capitalized include computer software license rights purchased. All fixed assets are valued at historical cost or estimated historical cost if actual history is not available. Donated assets, or those contributed by other governmental entities, are valued at their estimated fair market value on the date donated. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on the straight-line basis over estimated useful lives with no salvage value. The Department estimates the useful lives of fixed assets as follows:

Data processing equipment	5 years
Software License Rights	10 years
Automotive	5 years

Accrued Compensated Absences. Qualified employees are entitled to accumulate annual leave at various rates depending upon their length of service. A maximum of thirty (30) working days of such accumulated annual leave may be carried forward

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

into the beginning of a calendar leave year and any excess is lost. When employees terminate, they are compensated for accumulated unpaid annual leave as of the date of termination, up to a maximum of thirty days.

Qualified employees are entitled to accumulate sick leave at various rates depending upon their length of service. There is no limit to the amount of sick leave that an employee may accumulate.

Sick leave is not paid when employees terminate or retire, except in two instances. The 1983 State Legislature approved, and the New Mexico State Personnel Board Rules permit, payment at (50%) of an employee's hourly wage of accrued sick leave in excess of 600 hours as follows: (1) twice a year for current employees (an employee cannot be paid twice within the same year), for a maximum of 120 hours and (2) to retiring employees, for a maximum of 400 hours.

The Department recognizes the liabilities for compensated absences meeting the requirements of accrual as of year end. The compensated absences payable has been valued using current pay levels. All compensated absences are considered to be paid out of subsequent year resources.

Reservations and Designations. In the governmental fund financial statements, fund balances are classified as nonspendable, restricted, or unrestricted (committed, assigned, or unassigned). Restricted represents those portions of fund balance where constraints placed on the resources are either externally imposed or imposed by law through constitutional provisions or enabling legislation. Committed fund balance represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Legislative and Executive branches of the State. Assigned fund balance is constrained by the Legislature's and Executive Branch's intent to be used for specific purposes or in some cases by legislation.

The Department's fund balances represent: 1) Restricted Purposes, which include balances that are legally restricted for specific purposes due to constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; 2) Committed Purposes, which include balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Legislative and Executive branches; 3) Assigned Purposes, which includes

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Reservations and Designations (Continued)

balances that are constrained by the government's intent to be used for specific purposes, but are neither restricted or committed. A summary of the nature and purpose of these reserves by fund type at June 30, 2011, follows:

Nonspendable - Petty Cash and Change Funds. This reserve was created for imprest petty cash funds and change funds.

Nonspendable - Inventories. This reserve was created to represent the portion of fund balance that is not available for expenditures because the Department expects to use the resources within the next budgetary period.

Nonspendable - Postage. This reserve was created for prepaid postage on hand at year end. At year end, postage remaining in the meter is recorded as a prepaid asset with an offsetting reserve of fund balance in the Governmental Fund Statement.

Spendable - Restricted. This reserve consists of liquid assets (generated from revenues and not bond proceeds), which have third-party (statutory or granting agency) limitation on their use.

Spendable - Committed for Multi-Year Appropriations. This reserve was created for multiyear appropriations for which the Department has received funds for projects which extend into future years.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, restricted fund balance must be spent first. When expenditures are incurred for purposes for which amounts in any of unrestricted fund balance classifications can be used, committed amounts should be reduced first, followed by assigned amounts and then unassigned amounts.

Net Assets. The government-wide and business types fund financial statements utilize a net asset presentation. Net assets are categorized as investment in fixed assets (net of related debt), restricted and unrestricted. Investment in Capital Assets (net of related debt) - is intended to reflect the portion of net assets which are associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost.

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Reservations and Designations (Continued)

Revenues. Revenues are recognized as follows:

1. Special and capital outlay appropriations require project and draw down approval from NM Department of Finance and Administration (DFA) Board of Finance. The Department considers this part of the eligibility requirements and does not recognize the revenues and receivables until the approval is obtained.
2. Federal and other grants revenues are recognized when the applicable eligibility criteria, including time requirements, are met and the resources are available. Resources received for which applicable eligibility criteria have not been met are reflected as deferred revenues in the accompanying financial statements.
3. Revenues from grants that are restricted for specific uses are recognized as revenues and as receivables when the related costs are incurred. Contributions and other monies held by other state and local agencies are recorded, as a receivable at the time the money is made available to the specific fund. All other revenues are recognized when they are received and are not susceptible to accrual.

Expenditures are recorded as liabilities when incurred. Expenditures charged to federal programs are recorded utilizing the cost principles described by the various funding sources.

In applying the "susceptible to accrual" concept to intergovernmental revenues pursuant to GASB Statement No. 33, 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 requirement are met, under most circumstances, should be reported as advances by the provider and deferred revenue by the recipient.

Deferred Revenue. Amounts received prior to the time they are considered available to pay current liabilities are recorded as deferred revenue and recognized as revenue using the modified accrual basis of accounting. Such revenue sources include collections received by various boards for licenses and permits prior to their effective issuance as of the end of the fiscal year.

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Interfund Transactions. Quasi-external transactions are accounted for as revenues and expenditures. Transactions that constitute reimbursements to a fund for expenditures are shown in the reimbursing fund as reductions of expenditures and in the fund that is reimbursed as additions. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers.

The administrative costs charged to the Boards and recorded as revenue by the General Fund have been eliminated in the government-wide statements.

Use of Estimates. In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3. INTEREST IN STATE TREASURER INVESTMENT POOL

Investment balances at June 30, 2011, consisted of the following:

Deposits with State Treasurer-governmental activities	\$ 21,177,284
Deposits with State Treasurer-fiduciary balances	234,360
Due to State Treasurer Investment Pool	<u>(52,439)</u>
Total balance	<u>\$ 21,359,205</u>

All funds deposited by to the Department are held by the New Mexico State Treasurer. Deposits are non-interest bearing, with exceptions noted on the schedule of cash accounts. Money deposited by the Department with the State Treasurer is pooled and invested by the State Treasurer. The State Treasurer deposits public monies with New Mexico financial institutions in denominations which generally are in excess of the \$100,000 in insurance coverage provided by federal agencies. Accordingly, the State Treasurer requires that depository financial institutions provide additional collateral for such investments. The collateral generally is in the form of marketable debt securities and is required in amounts ranging from 50% to 102% of the par value of the investment dependent upon the institutions operating results and capital. Collateral for the fiscal account is

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 3. INTEREST IN STATE TREASURER INVESTMENT POOL (CONTINUED)

required in amounts equal to 50% of the average investment balance. Separate financial statements of the State Treasurer indicate collateral categories of risk and market value of purchased investments. All collateral is held in third-party safekeeping. A supplemental schedule of cash that the Department held as of June 30, 2011, is presented in the financial statements as supplemental information.

NOTE 4. DUE FROM AND DUE TO OTHER FUNDS

Due from and due to other funds represent interfund receivables and payables arising from interdepartmental transactions related to administrative costs allocated and are expected to be repaid within one year. These amounts have been eliminated on the government-wide statements.

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 4. DUE FROM AND DUE TO OTHER FUNDS (CONTINUED)

Interfund Receivables

Amount Due From Other Funds			Amount Due to Other Funds		
Fund Name	SHARE Fund No.	Amount	Fund Name	SHARE Fund No.	Amount
General Fund	4330	\$1,787,276	Securities Educ. & Training	0440	\$ 4,134
Athletic Commission	4410	4,707	Sign Language	2011	16,238
Massage Therapy	4420	9,573	General Fund	4330	8,546
Chiropractic Examiners	4460	3,501	Barbers & Cosmetology	4390	202,767
Nutrition & Dietetics Practice	4480	169	Athletic Commission	4410	19,113
Nursing Home Administrators	4490	173	Massage Therapy	4420	30,690
Psychologist Examiners	4540	230	Counselors	4440	97,382
Physical Therapy	4550	1,546	Chiropractic Examiners	4460	15,539
Thanatopractice	4560	3,899	Dental	4470	114,577
Interior Design	4570	679	Nutrition & Dietetics Practice	4480	3,729
Real Estate Commission	4670	3,475	Nursing Home Administrators	4490	6,915
Adv. Brd. of Resp. Care Prac.	4740	1,522	Examiners for Occup. Therapy	4500	15,751
Athletic Trainers Practice	4750	433	Optometry	4510	8,799
ARRA	8900	8,546	Osteopath	4520	15,972
Total		\$1,825,729	Podiatry	4530	5,855
			Psychologist Examiners	4540	27,970
			Physical Therapy	4550	16,083
			Thanatopractice	4560	15,306
			Interior Design	4570	6,449
			Private Investigators	4590	23,880
			Landscape Architects	4600	5,063
			Board of Pharmacy	4640	459,493
			Real Estate Appraisers	4650	38,654
			Public Accountancy	4660	108,441
			Real Estate Commission	4670	393,370
			Social Work	4690	80,157
			Acupuncture & Oriental Med.	4710	34,271
			HUD MHD Housing	4720	495
			Speech Language Pathology	4730	7,892
			Adv. Brd. of Resp. Care Prac.	4740	8,702
			Athletic Trainers Practice	4750	3,496
			Total		\$1,825,729

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 5. DUE FROM OTHER STATE AGENCIES

Transactions that occur among state agencies under legislative mandate, exchange transactions and other situations are accounted for in the financial statements which make up the due from other state agencies. The due from other agencies balances at June 30, 2011 consist of the following:

RLD SHARE Fund No.	Agency	Other Agency's No.	Amount
0440	Securities Enforcement and Investor Education	39400	216
1066	Mortgage Regulatory Fund	39400	146
2011	Signed Language Interpreting Practice	39400	41
2012	Animal Sheltering	39400	29
2110	Hoisting Operators	39400	9
2970	Real Estate Recovery	39400	26
4440	Counselors and Therapy Practice	39400	68
4450	Real Estate Education	39400	6
4550	Physical Therapy	39400	47
4560	Thanatopractice	39400	25
4590	Private Investigations Advisory	39400	29
4650	Real Estate Appraisers	39400	37
4660	Public Accountancy	39400	59
4690	Social Work Examiners	39400	57
4710	Acupuncture and Oriental Medicine	39400	28
4730	Speech Language Pathology, Audiology Hearing Aid Disp.	39400	35
4750	Athletic Trainers Practice	39400	7
4520	Osteopathic Medical Examiners	46400	1,461
4540	Psychologist Examiners	46400	5,844
8900	ARRA	52100	46,007
4330	General Fund	80500	1,961
Total			\$56,138

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE 6. CAPITAL ASSETS

The capital asset activity for the year ended June 30, 2011 is as follows:

	Balance 6/30/10	Additions	Deletions	Balance 6/30/11
Governmental Activities				
Depreciable Assets				
Data processing equipment	\$ 333,696	297,039	-	630,735
Automotive	<u>199,736</u>	-	-	<u>199,736</u>
Totals at historical cost	<u>533,432</u>	<u>297,039</u>	-	<u>830,471</u>
Accumulated depreciation				
Data processing equipment	135,221	165,605	-	300,826
Automotive	<u>162,418</u>	<u>13,557</u>	-	<u>175,975</u>
Total accumulated depreciation	<u>297,639</u>	<u>179,162</u>	-	<u>476,801</u>
Capital assets, net	<u>\$ 235,793</u>	<u>117,877</u>	-	<u>353,670</u>

The Department does not have any debt related to capital assets as of June 30, 2011. Depreciation expense for the agency amounted to \$179,162 and is all related to the General Government.

NOTE 7. COMPENSATED ABSENCES

	Balance 7/1/10	Additions	Deletions	Balance 6/30/11	Amount due within one year
Compensated Absences	\$ <u>985,037</u>	<u>1,131,951</u>	<u>(1,262,256)</u>	<u>854,732</u>	<u>373,177</u>

Management estimates that \$373,177 in compensated absences is due within one year. Most of the compensated absences balances have been paid by the General Fund in prior years. The amount of compensated absences is calculated by multiplying the vested hours by the pay rate at year-end plus applicable payroll taxes.

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 7. COMPENSATED ABSENCES (CONTINUED)

The Department's policy is to permit employees to accumulate earned but unused vacation and sick pay benefits.

Qualified employees accumulate maximum annual leave as follows:

Years of Service	Hours Earned Per Pay Period	Days of Maximum Accrual
Up to 3 years	3.08	30
Over 3 – 7 years	3.69	30
Over 7 – 11 years	4.61	30
Over 11-15 years	5.54	30
Over 15 years	6.15	30

The maximum accrued annual leave may be carried forward into the beginning of the next calendar year and any excess is lost. When employees terminate, they are compensated for accumulated unpaid annual leave as of the date of termination, up to the above maximums.

Accrued Sick Leave. Employees who have over 600 hours of accumulated sick leave can receive payment for the hours over 600 up to 120 hours, on July 1 and January 1 of each year. However, the sick leave will be paid at 50% of the employee's regular hourly wage.

At retirement, employees may receive 50% payment for up to 400 hours for the hours over 600 of accumulated sick leave. Therefore, the only sick leave which has been accrued represents the hours earned at June 30, 2011, over 600. Expenditures for accumulated sick pay for hours under 600 will be recognized as employees take such absences.

NOTE 8. STATE GENERAL FUND REVERSIONS

Unexpended cash balances of the Department's governmental funds are subject to reversion to the State's General Fund unless they are multi-year appropriations or the appropriation periods are specifically extended by act of the Legislature. The table below summarizes the current year reversion amount along with the balance due to the State General Fund at year end.

	Reversion	Balance Due
General Fund Reversions, 2010 & Prior	\$ 1,075,545	1,074,998
General Fund Reversions, 2011	630,707	630,707
Total	<u>\$ 1,706,252</u>	<u>1,705,705</u>

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 9. INTER-FUND TRANSFERS

Operating transfers, which relate to the allocation of administrative costs, in and out consist of the following:

		Transfers	
		In	Out
General Fund	4330	\$ 1,083,883	\$ -
Pharmacy Board	4640		206,125
Real Estate Commission	4670		282,965
Sign Language Interpretation Practice	2011		16,238
Barber and Cosmetology	4390		115,299
Athletic Commission	4410		19,113
Massage Therapy	4420		30,690
Counselor/Therapy Board	4440		53,376
Board of Chiropractors	4460		15,539
Dental Board	4470		52,289
Nutrition and Dietetics	4480		3,729
Board of Nursing Home Administration	4490		6,915
Occupational Therapy	4500		8,469
Board of Optometry	4510		8,546
Board of Osteopathic Examiners	4520		7,692
Board of Podiatry	4530		4,118
Board of Psychology	4540		27,970
Physical Therapy Board	4550		16,083
Thanatopractice	4560		15,306
Board of Interior Design	4570		6,449
Private Investigators	4590		19,812
Landscape Architects Board	4600		4,817
Real Estate Appraisers Board	4650		22,096
Accountancy Board	4660		54,239
Social Workers Board	4690		40,712
Acupuncture Board	4710		13,752
Speech and Language Pathology	4730		19,346
Respiratory Care Advisory Board	4740		8,702
Athletic Trainers Board	4750		3,496
	Total	\$ 1,083,883	\$ 1,083,883

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

**NOTE 10. RETIREMENT PLAN- PUBLIC EMPLOYEES RETIREMENT
ASSOCIATION**

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

Funding Policy. Plan members are required to contribute 8.92% of their gross salary. The Department is required to contribute 15.09% of the gross covered salary. The contribution requirements of plan members and the Department are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The Department's contributions to PERA for the years ending June 30, 2011, 2010 and 2009 were \$1,720,956, \$1,875,834 and \$2,173,182, respectively, equal to the amount of the required contribution for each year.

**NOTE 11. 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.

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 11. POST-EMPLOYMENT BENEFITS- STATE RETIREE HEALTH CARE PLAN (CONTINUED)

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which 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 N.E., Suite 104, Albuquerque, NM 87107.

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

The 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. The statute requires each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee is required to contribute .65% of their salary. In the fiscal years ending June 30, 2011 through June 30, 2013, the contribution rates for employees and employers will rise as follows:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY 11	1.666%	.833%
FY 12	1.834%	.917%
FY 13	2.000%	1.000%

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 11. POST-EMPLOYMENT BENEFITS- STATE RETIREE HEALTH CARE PLAN (CONTINUED)

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

The Department's contributions to the RHCA for the years ended June 30, 2011, 2010 and 2009 were \$188,216, \$158,930 and \$165,070, respectively, which equal the required contributions for each year.

NOTE 12. INSURANCE COVERAGE

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

Risk Management – New Mexico Regulation and Licensing is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the agency carries insurance (workers' compensation, unemployment compensation, employee liability, and transportation property) with the State of New Mexico Risk Management Division (RMD) of the General Services Department.

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

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

During the 2009-2010 fiscal year, the Department paid Risk Management \$439,994 in insurance premiums. In the fiscal year 2010-2011, the Department paid Risk Management \$526,718. The Department's exposure is limited to \$1,000 per any first-party incurred property loss, with the exception of theft, which has a \$5,000

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 12. INSURANCE COVERAGE (CONTINUED)

deductible. After conferring with legal counsel concerning pending litigation and claims, the Department believes that the outcome of pending litigation should not have a materially adverse effect on the financial position or operations of the Department. In addition, for the years ended June 30, 2009, 2010 and 2011, the Department had no claims for which the Risk Management Division has returned as “not covered” that would become the responsibility of the Department.

NOTE 13. OPERATING LEASE AGREEMENTS

In 2003, the Department entered into a building lease agreement to provide office space for the Construction Industries Division located in Las Cruces. In 2004, the Department entered into lease agreements to provide office space for the boards and commissions located in Albuquerque. In 2007 the Department entered into a building lease agreement to provide office space for the Securities Division. The Department is obligated under these leases as follows:

Year ending June 30,	
2012	\$ 372,404
2013	386,875
2014	360,657
2015 and thereafter	-
	<u>\$ 1,119,936</u>

Rent expense under these building leases totaled \$399,556 for the year ended June 30, 2011.

NOTE 14. OTHER CONTRACTS AND AGREEMENTS

The Department's Manufactured Housing Division has entered into an agreement with the United States Department of Housing and Urban Development (HUD) for certain inspection services related to the manufactured housing units shipped into and produced in New Mexico. HUD pays the State of New Mexico a fixed amount for each manufactured housing unit shipped into or produced in New Mexico. HUD payments to the State of New Mexico are deposited into the Manufactured Housing Division HUD Fund. Amounts received by the State of New Mexico from HUD were approximately \$51,819 and \$18,545 during the years ended June 30, 2011 and 2010.

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 14. OTHER CONTRACTS AND AGREEMENTS (CONTINUED)

Personnel from the Manufactured Housing Division also participate in inspections of manufactured homes being constructed in New Mexico, as well as, manufactured housing manufacturers in other states pursuant to an agreement with the National Conference of States on Building Codes and Standards, Inc., an agent for HUD.

Additionally, the Department leases vehicles from the Transportation Services Division of the State of New Mexico General Services Department on an annual basis.

NOTE 15. TRANSFERS FROM OTHER STATE AGENCIES

Transfers from other state agencies for the year ended June 30, 2011 are as follows. These transfers are routine in nature and are consistent with the activities of the fund making the transfer.

	<u>Transfers from Other State Agencies</u>			
	New Mexico Medical Board 0710 (Licensing System Support)	Public School Facility Authority 94300 (Reimbursement of Inspections)	Commission for Deaf & Hard of Hearing Persons 04600 (Board Operations)	Total
NM RLD General Fund - 43300 (General Fund Appropriation)	\$ 15,000	250,000	-	265,000
NM RLD Signed Language - 20110 (Signed Language Interpretation)	-	-	110,800	<u>110,800</u>
Total transfers from other state agencies	<u>\$ 15,000</u>	<u>250,000</u>	<u>110,800</u>	<u>375,800</u>

NOTE 16. RESTATEMENT OF FUND BALANCE/GASB 54

GASB Statement No. 54 clarifies the existing governmental fund type definitions and provides clearer fund balance categories and classifications. The new hierarchical fund balance classifications are based primarily on the extent to which a government is bound to follow constraints on resources in governmental funds and includes terms: nonspendable, restricted, committed, assigned, and unassigned. GASB 54 was implemented in the current fiscal year. Details of the Department's fund balance classifications and policies are reflected in Note 1.

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

**NOTE 16. RESTATEMENT OF FUND BALANCE/GASB 54
(CONTINUED)**

The governmental fund types used by the Department were evaluated based on the provisions of GASB 54 and there were no changes from prior years. The fund balance classifications were also examined by management, and the Department has nonspendable fund balance of \$166,366 and restricted fund balance of \$12,569,996, restated into the new categories and presented accordingly on the balance sheet. The Department's restricted fund balances all relate to special revenue funds with the enabling legislation that created the fund also authorized the revenue stream.

NOTE 17. FUND BALANCE DEFICIT

The Department's Dental Board has a fund balance deficit of \$120,771. The Regulation and Licensing Department will continue to use budget projection meetings to monitor and control the spending related to the Dental Board. The CFO will analyze proposed expenditures and determine if they are necessary in order to carry out the board duties. If the expenditures are not critical, they will be denied. This process decreased the deficit by almost \$50,000 in FY 2011. Based on this, the fund balance will be positive by the end of FY 2014. In 2009 fees were increased, but RLD would like to avoid another fee increase, and would rather correct the situation by decreasing expenditures.

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
NONMAJOR FUNDS
June 30, 2011**

Hoisting Operators Fund - To account for fees charged by the Department pursuant to the Hoisting Operators Safety Act. The fund is administrated by the Department for the purpose of carrying out the provisions of the Act. The fund was established in accordance with the provisions of Section 60-15-15 NMSA 1978. (SHARE Fund Number 2110)

Construction Industries Revolving Fund - To account for the sales of code books and publications by the Construction Industries Division of the Department. Collections received from such sales are used to recover related costs incurred. The fund was established by the Department with the authority of the New Mexico Department of Finance and Administration. (SHARE Fund Number 3730).

Financial Institutions Revolving Fund - To account for the code books and publications to financial institutions. Receipts from such sales are used to recover related costs. The fund was established by the Department with the authority of the New Mexico Department of Finance and Administration. (SHARE Fund Number 3720).

Carnival Ride Insurance Fund - To account for the per-ride inspection fees collected under the provisions of the Carnival Ride Insurance Act. Each operator of a carnival ride must pay an inspection fee of \$50.00 per ride. This money is restricted to the purpose of fulfilling the provisions of the Carnival Ride Insurance Act. The fund was established in accordance with provisions of NMSA 1978 Compilation, Section 57-25-3 (SHARE Fund Number 6430).

HUD Manufactured Housing Fund - To account for the revenue and related expenses for inspection service of manufactured housing units shipped into and manufactured in New Mexico. Funding is provided by an agreement with the United States Department of Housing and Urban Development. In addition, inspection services are billed to the manufacturing companies. (SHARE Fund Number 4720)

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
NONMAJOR FUNDS (CONTINUED)
June 30, 2011**

Vehicle Replacement Fund – A separate fund established in fiscal year 1998 to allow the Department to budget funds in fiscal years 1998 and 1999 for the purpose of purchasing vehicles as approved in New Mexico House Bill No. 2, Section 5. This fund was established by the Department with the authority of the New Mexico Department of Finance and Administration. (SHARE Fund Number 2960).

RLD American Recovery and Reinvestment Act (ARRA) Fund - An administrative fund established by the Department of Finance and Administration and funded by the Federal Government. This is a non-reverting fund. (SHARE Fund Number 8900)

Mortgage Regulatory Fund – To account for application, licensing, renewal, examination, investigation and any other fees received that are associated with the costs of administering the New Mexico Mortgage Loan Originator Licensing Act, fees specified in Subsection E of Section 58-21 NMSA 1978 and any money that is appropriated or donated or that otherwise accrues to the fund. Income from the investment of the fund shall be credited to the fund. The Mortgage Regulatory Fund is created as a non-reverting fund in the state treasury and shall be administered by the financial institutions in accordance with the provisions of Section 9-16-15 NMSA 1978. (SHARE Fund Number 1066).

Individual Boards and Commissions - To account for the administration of each individual board and commission established by certain sections of the New Mexico statutes. Each board's revenue is restricted to each board's activity and administration. Any excess funds at the end of the fiscal year do not revert to the State General Fund. The following boards and commissions were in existence at June 30, 2011.

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
NONMAJOR FUNDS (CONTINUED)
June 30, 2011**

Board	NMSA Funding Authority	SHARE Fund Number
Accountancy	61-28B-6	4660
Acupuncture	61-14A-18	4710
Athletic Commission	60-2A-24	4410
Athletic Trainers	61-14D-18	4750
Barbers and Cosmetologists	61-17A-14	4390
Chiropractic Examiners	61-4-7	4460
Counselors and Therapists	61-9A-25	4440
Dental Examiners	61-5A-26	4470
Interior Design	61-24C-4	4570
Landscape Architects	61-24B-14	4600
Massage Therapist	61-12C-23	4420
Naprapathy	61-12E-13	5350
Nursing Home Administrators	61-13-12	4490
Nutrition and Dietetics	61-7A-12	4480
Occupational Therapy	61-12A-20	4500
Optometry	61-2-7	4510
Osteopathic Examiners	61-10-6	4520
Pharmacy	61-11-19	4640
Physical Therapists	61-12D-6	4550
Podiatry	61-8-7	4530
Private Investigators and Polygrapher	61-27B-30	4590
Psychologist Examiners	61-9-5	4540
Real Estate Commission	61-29-8	4670
Real Estate Appraisers	61-30-18	4650
Real Estate Recovery	61-29-21	2970
Respiratory Care Advisory	61-12B-13	4740
Social Workers	61-31-16	4690
Speech, Language and Audio	61-14B-24	4730
Thanatopractice	61-32-26	4560
Sign Language	61-34-13	4450
Animal Shelter	77-1B-4	2011

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINING BALANCE SHEET -
ALL NONMAJOR FUNDS
June 30, 2011

	Special Revenue			
	2960	2970	3720	3730
	Vehicle Replacement	Real Estate Recovery	FID Revolving	CID Revolving
ASSETS				
Assets				
Interest in State Treasurer General Fund				
Investment Pool	\$ -	291,046	200	196,005
Accounts receivable	-	-	-	-
Prepaid postage	-	-	-	-
Due from other funds	-	-	-	-
Due from other state agencies	-	26	-	-
Due from Federal Government	-	-	-	-
Inventories	-	-	-	27,593
Total assets	\$ -	291,072	200	223,598
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	-	-	2,110
Accrued payroll	-	-	-	-
Due to State Treasurer Investment Pool	-	-	-	-
Deferred revenue	-	-	-	-
Due to state general fund	-	-	-	-
Due to other funds	-	-	-	-
Due to Federal Government	-	-	-	-
Total liabilities	-	-	-	2,110
Fund Balances				
Nonspendable:				
Prepaid postage	-	-	-	-
Inventory	-	-	-	27,593
Restricted	-	291,072	-	193,895
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	200	-
Total fund balances	-	291,072	200	221,488
Total liabilities and fund balances	\$ -	291,072	200	223,598

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINING BALANCE SHEET -
ALL NONMAJOR FUNDS
June 30, 2011

	Special Revenue			
	4390	4410	4420	4440
	Board of Cosmetology	Athletic Commission	Massage Therapy	Counselors and Therapists
ASSETS				
Assets				
Interest in State Treasurer General Fund				
Investment Pool	\$ 1,903,793	92,214	389,767	758,782
Accounts receivable	-	-	(553)	184
Prepaid postage	7,381	1,277	6,615	19,615
Due from other funds	-	4,707	9,573	-
Due from other state agencies	-	-	-	68
Due from Federal Government	-	-	-	-
Inventories	-	-	-	-
Total assets	\$ 1,911,174	98,198	405,402	778,649
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 19,937	652	341	1,505
Accrued payroll	11,126	923	5,487	7,180
Due to State Treasurer Investment Pool	-	-	-	-
Deferred revenue	537,279	2,661	168,592	92,812
Due to state general fund	-	-	-	-
Due to other funds	202,767	19,113	30,690	97,382
Due to Federal Government	-	-	-	-
Total liabilities	771,109	23,349	205,110	198,879
Fund Balances				
Nonspendable:				
Prepaid postage	7,381	1,277	6,615	19,615
Inventory	-	-	-	-
Restricted	1,132,684	73,572	193,677	560,155
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	1,140,065	74,849	200,292	579,770
Total liabilities and fund balances	\$ 1,911,174	98,198	405,402	778,649

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINING BALANCE SHEET -
ALL NONMAJOR FUNDS
June 30, 2011

	Special Revenue			
	4450	4460	4470	4480
	Real Estate Education and Training	Chiropractic Examiners	Dental	Nutrition and Dietetics
ASSETS				
Assets				
Interest in State Treasurer General Fund				
Investment Pool	\$ 72,501	512,619	720,520	121,450
Accounts receivable	-	-	-	59
Prepaid postage	-	3,049	7,170	1,727
Due from other funds	-	3,501	-	169
Due from other state agencies	6	-	-	-
Due from Federal Government	-	-	-	-
Inventories	-	-	-	-
Total assets	\$ 72,507	519,169	727,690	123,405
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 6,099	1,421	4,374	1,578
Accrued payroll	-	3,950	6,529	490
Due to State Treasurer Investment Pool	-	-	-	-
Deferred revenue	-	149,291	722,981	17,985
Due to state general fund	-	-	-	-
Due to other funds	-	15,539	114,577	3,729
Due to Federal Government	-	-	-	-
Total liabilities	6,099	170,201	848,461	23,782
Fund Balances				
Nonspendable:				
Prepaid postage	-	3,049	7,170	1,727
Inventory	-	-	-	-
Restricted	66,408	345,919	-	97,896
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	(127,941)	-
Total fund balances	66,408	348,968	(120,771)	99,623
Total liabilities and fund balances	\$ 72,507	519,169	727,690	123,405

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINING BALANCE SHEET -
ALL NONMAJOR FUNDS
June 30, 2011

	Special Revenue			
	4490	4500	4510	4520
	Nursing Home Administration	Occupational Therapy	Optometry	Osteopathic Examiners
ASSETS				
Assets				
Interest in State Treasurer General Fund				
Investment Pool	\$ 88,152	339,799	274,245	480,932
Accounts receivable	-	-	-	-
Prepaid postage	454	1,456	2,027	1,277
Due from other funds	173	-	-	-
Due from other state agencies	-	-	-	1,461
Due from Federal Government	-	-	-	-
Inventories	-	-	-	-
Total assets	\$ 88,779	341,255	276,272	483,670
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 337	84	1,323	769
Accrued payroll	997	1,003	1,338	1,603
Due to State Treasurer Investment Pool	-	-	-	-
Deferred revenue	22,313	18,623	57,038	83,054
Due to state general fund	-	-	-	-
Due to other funds	6,915	15,751	8,799	15,972
Due to Federal Government	-	-	-	-
Total liabilities	30,562	35,461	68,498	101,398
Fund Balances				
Nonspendable:				
Prepaid postage	454	1,456	2,027	1,277
Inventory	-	-	-	-
Restricted	57,763	304,338	205,747	380,995
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	58,217	305,794	207,774	382,272
Total liabilities and fund balances	\$ 88,779	341,255	276,272	483,670

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINING BALANCE SHEET -
ALL NONMAJOR FUNDS
June 30, 2011

	Special Revenue			
	4530	4540	4550	4560
	Podiatry	Psychology	Physical Therapist	Thanatopractice
ASSETS				
Assets				
Interest in State Treasurer General Fund				
Investment Pool	\$ 113,476	434,126	530,632	332,702
Accounts receivable	-	(884)	-	-
Prepaid postage	2,176	2,033	6,085	1,069
Due from other funds	-	230	1,546	3,899
Due from other state agencies	-	5,844	47	25
Due from Federal Government	-	-	-	-
Inventories	-	-	-	-
Total assets	\$ 115,652	441,349	538,310	337,695
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 966	4,747	5,695	2,962
Accrued payroll	521	5,078	1,123	3,017
Due to State Treasurer Investment Pool	-	-	-	-
Deferred revenue	17,446	253,034	153,543	91,060
Due to state general fund	-	-	-	-
Due to other funds	5,855	27,970	16,083	15,306
Due to Federal Government	-	-	-	-
Total liabilities	24,788	290,829	176,444	112,345
Fund Balances				
Nonspendable:				
Prepaid postage	2,176	2,033	6,085	1,069
Inventory	-	-	-	-
Restricted	88,688	148,487	355,781	224,281
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	90,864	150,520	361,866	225,350
Total liabilities and fund balances	\$ 115,652	441,349	538,310	337,695

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINING BALANCE SHEET -
ALL NONMAJOR FUNDS
June 30, 2011

	Special Revenue			
	4570	4590	4600	4650
	Interior Design	Private Investigation	Landscape Architects	Real Estate Appraisers
ASSETS				
Assets				
Interest in State Treasurer General Fund				
Investment Pool	\$ 59,942	412,526	135,351	418,677
Accounts receivable	-	-	-	-
Prepaid postage	693	5,958	1,884	2,269
Due from other funds	679	-	-	-
Due from other state agencies	-	29	-	37
Due from Federal Government	-	-	-	-
Inventories	-	-	-	-
Total assets	\$ 61,314	418,513	137,235	420,983
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 77	3,022	379	3,647
Accrued payroll	419	1,611	524	3,740
Due to State Treasurer Investment Pool	-	-	-	-
Deferred revenue	6,146	244,863	36,520	231,552
Due to state general fund	-	-	-	-
Due to other funds	6,449	23,880	5,063	38,654
Due to Federal Government	-	-	-	1,500
Total liabilities	13,091	273,376	42,486	279,093
Fund Balances				
Nonspendable:				
Prepaid postage	693	5,958	1,884	2,269
Inventory	-	-	-	-
Restricted	47,530	139,179	92,865	139,621
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	48,223	145,137	94,749	141,890
Total liabilities and fund balances	\$ 61,314	418,513	137,235	420,983

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINING BALANCE SHEET -
ALL NONMAJOR FUNDS
June 30, 2011

	Special Revenue			
	4660	4690	4710	4720
	Accountancy	Social Workers	Acupuncture	HUD Manufactured Housing
ASSETS				
Assets				
Interest in State Treasurer General Fund				
Investment Pool	\$ 678,916	730,912	326,366	117,370
Accounts receivable	-	(2,707)	(1,318)	8,730
Prepaid postage	2,217	2,299	1,957	-
Due from other funds	-	-	-	-
Due from other state agencies	59	57	28	-
Due from Federal Government	-	-	-	5,591
Inventories	-	-	-	-
Total assets	\$ 681,192	730,561	327,033	131,691
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 1,869	4,751	1,441	-
Accrued payroll	9,476	7,623	2,571	1,428
Due to State Treasurer Investment Pool	-	-	-	-
Deferred revenue	260,860	242,805	112,533	-
Due to state general fund	-	-	-	-
Due to other funds	108,441	80,157	34,271	495
Due to Federal Government	-	-	-	-
Total liabilities	380,646	335,336	150,816	1,923
Fund Balances				
Nonspendable:				
Prepaid postage	2,217	2,299	1,957	-
Inventory	-	-	-	-
Restricted	298,329	392,926	174,260	129,768
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	300,546	395,225	176,217	129,768
Total liabilities and fund balances	\$ 681,192	730,561	327,033	131,691

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINING BALANCE SHEET -
ALL NONMAJOR FUNDS
June 30, 2011

	Special Revenue			
	4730	4740	4750	5350
	Speech Language	Respiratory Care	Athletic Trainers	Naprapathy
ASSETS				
Assets				
Interest in State Treasurer General Fund				
Investment Pool	\$ 396,616	145,487	76,012	41,621
Accounts receivable	-	-	-	-
Prepaid postage	1,768	414	645	1,141
Due from other funds	-	1,522	433	-
Due from other state agencies	35	-	7	-
Due from Federal Government	-	-	-	-
Inventories	-	-	-	-
Total assets	\$ 398,419	147,423	77,097	42,762
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 753	(224)	22	88
Accrued payroll	2,465	1,517	436	-
Due to State Treasurer Investment Pool	-	-	-	-
Deferred revenue	86,369	26,875	6,360	-
Due to state general fund	-	-	-	-
Due to other funds	37,892	8,702	3,496	-
Due to Federal Government	-	-	-	-
Total liabilities	127,479	36,870	10,314	88
Fund Balances				
Nonspendable:				
Prepaid postage	1,768	414	645	1,141
Inventory	-	-	-	-
Restricted	269,172	110,139	66,138	41,533
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	270,940	110,553	66,783	42,674
Total liabilities and fund balances	\$ 398,419	147,423	77,097	42,762

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINING BALANCE SHEET -
ALL NONMAJOR FUNDS
June 30, 2011

	Special Revenue			
	6430 Carnival Ride Insurance	8760 Impaired Dentists	2110 Hoisting Operators	2011 Sign Language Interpreting
ASSETS				
Assets				
Interest in State Treasurer General Fund				
Investment Pool	\$ 85,350	59,415	99,048	456,479
Accounts receivable	-	-	-	-
Prepaid postage	-	-	-	6,224
Due from other funds	-	-	-	-
Due from other state agencies	-	-	9	41
Due from Federal Government	-	-	-	-
Inventories	-	-	-	-
Total assets	\$ 85,350	59,415	99,057	462,744
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	-	50	2,064
Accrued payroll	-	-	-	1,981
Due to State Treasurer Investment Pool	-	-	-	-
Deferred revenue	-	-	-	1,397
Due to state general fund	-	-	-	-
Due to other funds	-	-	-	16,238
Due to Federal Government	-	-	-	-
Total liabilities	-	-	50	21,680
Fund Balances				
Nonspendable:				
Prepaid postage	-	-	-	6,224
Inventory	-	-	-	-
Restricted	85,350	59,415	99,007	434,840
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	85,350	59,415	99,007	441,064
Total liabilities and fund balances	\$ 85,350	59,415	99,057	462,744

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINING BALANCE SHEET -
ALL NONMAJOR FUNDS
June 30, 2011

	Special Revenue			Total
	2012	8900	1066	
	Animal Shelter Services	ARRA	Mortgage Regulatory Fund	
ASSETS				
Assets				
Interest in State Treasurer General Fund				
Investment Pool	\$ 313,664	-	1,562,117	13,768,830
Accounts receivable	-	-	8,750	12,261
Prepaid postage	875	-	-	91,755
Due from other funds	-	8,546	-	34,978
Due from other state agencies	29	46,007	146	53,961
Due from Federal Government	-	-	-	5,591
Inventories	-	-	-	27,593
Total assets	\$ 314,568	54,553	1,571,013	13,994,969
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 2,523	160	981	76,503
Accrued payroll	1,670	1,954	1,286	89,066
Due to State Treasurer Investment Pool	-	52,439	-	52,439
Deferred revenue	-	-	-	3,643,992
Due to state general fund	-	-	-	-
Due to other funds	-	-	-	960,186
Due to Federal Government	-	-	-	1,500
Total liabilities	4,193	54,553	2,267	4,823,686
Fund Balances				
Nonspendable:				
Prepaid postage	875	-	-	91,755
Inventory	-	-	-	27,593
Restricted	309,500	-	1,568,746	9,179,676
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	(127,741)
Total fund balances	310,375	-	1,568,746	9,171,283
Total liabilities and fund balances	\$ 314,568	54,553	1,571,013	13,994,969

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCES - ALL NONMAJOR FUNDS
Year Ended June 30, 2011

	Special Revenue			
	2960	2970	3720	3730
	Vehicle Replacement	Real Estate Recovery	FID Revolving	CID Revolving
Revenues				
License fees	\$ -	-	-	-
Services	-	-	-	-
Publications	-	-	-	12,227
Federal sources	-	-	-	-
Interest on investments	-	533	-	-
Other revenue	-	-	-	-
Total revenues	-	533	-	12,227
Expenditures				
Current				
Personnel services and employee benefits	-	-	-	-
Contractual services	-	-	-	-
In-state travel	-	-	-	-
Maintenance and repairs	-	-	-	-
Supplies and materials	-	-	-	-
Operating costs	-	-	-	34,374
Other costs	-	-	-	-
Out-of-state travel	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	34,374
Excess (deficiency) of revenues over expenditures	-	533	-	(22,147)
Other financing sources (uses)				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
General fund appropriation	-	-	-	-
Reversions to state general fund	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	533	-	(22,147)
Fund balances, beginning, as restated	-	290,539	200	243,635
Fund balances, end of year	\$ -	291,072	200	221,488

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCES - ALL NONMAJOR FUNDS
Year Ended June 30, 2011

	Special Revenue			
	4390	4410	4420	4440
	Board of Cosmetology	Athletic Commission	Massage Therapy	Counselors and Therapists
Revenues				
License fees	\$ 882,840	7,557	193,003	402,377
Services	12,903	111,870	5,626	19,206
Publications	-	-	-	-
Federal sources	-	-	-	-
Interest on investments	-	-	-	1,415
Other revenue	85,341	536	17,560	13,572
Total revenues	981,084	119,963	216,189	436,570
Expenditures				
Current				
Personnel services and employee benefits	406,175	66,462	183,730	240,608
Contractual services	9,016	6,303	-	-
In-state travel	9,607	7,429	2,610	14,477
Maintenance and repairs	162	-	423	-
Supplies and materials	20,366	1,208	2,452	5,245
Operating costs	39,792	6,842	9,165	13,473
Other costs	4,184	-	1,307	1,712
Out-of-state travel	-	-	-	165
Capital outlay	-	-	1,377	-
Total expenditures	489,302	88,244	201,064	275,680
Excess (deficiency) of revenues over expenditures	491,782	31,719	15,125	160,890
Other financing sources (uses)				
Operating transfers in	-	-	-	-
Operating transfers (out)	(115,299)	(19,113)	(30,690)	(53,376)
General fund appropriation	-	-	-	-
Reversions to state general fund	-	-	-	-
Total other financing sources (uses)	(115,299)	(19,113)	(30,690)	(53,376)
Net change in fund balance	376,483	12,606	(15,565)	107,514
Fund balances, beginning, as restated	763,582	62,243	215,857	472,256
Fund balances, end of year	\$ 1,140,065	74,849	200,292	579,770

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCES - ALL NONMAJOR FUNDS
Year Ended June 30, 2011

	Special Revenue			
	4450 Real Estate Education and Training	4460 Chiropractic Examiners	4470 Dental	4480 Nutrition and Dietetics
Revenues				
License fees	\$ 3,700	56,084	302,938	31,658
Services	-	21,700	13,571	280
Publications	-	-	-	-
Federal sources	-	-	-	-
Interest on investments	112	-	-	-
Other revenue	4,040	200	16,617	375
Total revenues	7,852	77,984	333,126	32,313
Expenditures				
Current				
Personnel services and employee benefits	-	87,231	187,581	13,812
Contractual services	6,099	-	-	-
In-state travel	-	2,499	17,009	2,246
Maintenance and repairs	-	-	-	-
Supplies and materials	-	1,004	2,508	734
Operating costs	-	4,305	18,918	981
Other costs	-	1,000	5,510	342
Out-of-state travel	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	6,099	96,039	231,526	18,115
Excess (deficiency) of revenues over expenditures	1,753	(18,055)	101,600	14,198
Other financing sources (uses)				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	(15,539)	(52,289)	(3,729)
General fund appropriation	-	-	-	-
Reversions to state general fund	-	-	-	-
Total other financing sources (uses)	-	(15,539)	(52,289)	(3,729)
Net change in fund balance	1,753	(33,594)	49,311	10,469
Fund balances, beginning, as restated	64,655	382,562	(170,082)	89,154
Fund balances, end of year	\$ 66,408	348,968	(120,771)	99,623

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCES - ALL NONMAJOR FUNDS
Year Ended June 30, 2011

	Special Revenue			
	4490	4500	4510	4520
	Nursing Home Administration	Occupational Therapy	Optometry	Osteopathic Examiners
Revenues				
License fees	\$ 42,416	76,543	12,212	39,221
Services	739	12,850	9,910	5,305
Publications	-	-	-	-
Federal sources	-	-	-	-
Interest on investments	-	-	-	-
Other revenue	300	7,559	2,700	5,900
Total revenues	43,455	96,952	24,822	50,426
Expenditures				
Current				
Personnel services and employee benefits	29,413	29,683	39,030	40,649
Contractual services	-	-	5,850	1,680
In-state travel	861	1,189	3,216	2,579
Maintenance and repairs	-	-	-	-
Supplies and materials	58	-	943	310
Operating costs	2,104	1,892	1,836	4,281
Other costs	440	530	880	1,584
Out-of-state travel	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	32,876	33,294	51,755	51,083
Excess (deficiency) of revenues over expenditures	10,579	63,658	(26,933)	(657)
Other financing sources (uses)				
Operating transfers in	-	-	-	-
Operating transfers (out)	(6,915)	(8,469)	(8,546)	(7,692)
General fund appropriation	-	-	-	-
Reversions to state general fund	-	-	-	-
Total other financing sources (uses)	(6,915)	(8,469)	(8,546)	(7,692)
Net change in fund balance	3,664	55,189	(35,479)	(8,349)
Fund balances, beginning, as restated	54,553	250,605	243,253	390,621
Fund balances, end of year	\$ 58,217	305,794	207,774	382,272

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCES - ALL NONMAJOR FUNDS
Year Ended June 30, 2011

	Special Revenue			
	4530	4540	4550	4560
	Podiatry	Psychologist	Physical Therapist	Thanatopractice
Revenues				
License fees	\$ 38,329	186,476	150,699	127,590
Services	922	5,370	27,345	1,580
Publications	-	-	-	273
Federal sources	-	-	-	-
Interest on investments	-	-	779	544
Other revenue	1,170	3,405	5,850	4,717
Total revenues	40,421	195,251	184,673	134,704
Expenditures				
Current				
Personnel services and employee benefits	13,240	118,040	38,043	87,676
Contractual services	-	-	5,516	1,000
In-state travel	1,112	2,819	2,853	6,554
Maintenance and repairs	-	97	106	-
Supplies and materials	725	749	1,785	1,493
Operating costs	2,065	7,464	4,412	2,952
Other costs	531	3,172	1,958	1,190
Out-of-state travel	-	-	137	-
Capital outlay	-	1,903	1,062	-
Total expenditures	17,673	134,244	55,872	100,865
Excess (deficiency) of revenues over expenditures	22,748	61,007	128,801	33,839
Other financing sources (uses)				
Operating transfers in	-	-	-	-
Operating transfers (out)	(4,118)	(27,970)	(16,083)	(15,306)
General fund appropriation	-	-	-	-
Reversions to state general fund	-	-	-	-
Total other financing sources (uses)	(4,118)	(27,970)	(16,083)	(15,306)
Net change in fund balance	18,630	33,037	112,718	18,533
Fund balances, beginning, as restated	72,234	117,483	249,148	206,817
Fund balances, end of year	\$ 90,864	150,520	361,866	225,350

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCES - ALL NONMAJOR FUNDS
Year Ended June 30, 2011

	Special Revenue			
	4570	4590	4600	4650
	Interior Design	Private Investigation	Landscape Architects	Real Estate Appraisers
Revenues				
License fees	\$ 28,308	127,663	40,280	154,921
Services	85	705	260	21,482
Publications	-	-	-	-
Federal sources	-	-	-	-
Interest on investments	-	372	-	552
Other revenue	1,954	12,105	3,000	5,900
Total revenues	30,347	140,845	43,540	182,855
Expenditures				
Current				
Personnel services and employee benefits	13,016	61,523	16,871	110,429
Contractual services	-	4,844	-	6,822
In-state travel	947	1,249	3,603	11,923
Maintenance and repairs	-	-	-	-
Supplies and materials	-	1,331	245	581
Operating costs	3,896	25,901	5,476	8,455
Other costs	135	-	649	1,933
Out-of-state travel	-	-	-	2,275
Capital outlay	-	-	-	-
Total expenditures	17,994	94,848	26,844	142,418
Excess (deficiency) of revenues over expenditures	12,353	45,997	16,696	40,437
Other financing sources (uses)				
Operating transfers in	-	-	-	-
Operating transfers (out)	(6,449)	(19,812)	(4,817)	(22,096)
General fund appropriation	-	-	-	-
Reversions to state general fund	-	-	-	-
Total other financing sources (uses)	(6,449)	(19,812)	(4,817)	(22,096)
Net change in fund balance	5,904	26,185	11,879	18,341
Fund balances, beginning, as restated	42,319	118,952	82,870	123,549
Fund balances, end of year	\$ 48,223	145,137	94,749	141,890

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCES - ALL NONMAJOR FUNDS
Year Ended June 30, 2011

	Special Revenue			
	4660	4690	4710	4720
	Accountancy	Social Workers	Acupuncture	HUD Manufactured Housing
Revenues				
License fees	\$ 469,418	219,328	42,004	-
Services	1,340	6,238	17,424	83,161
Publications	-	-	-	-
Federal sources	-	-	-	23,165
Interest on investments	1,110	1,189	673	-
Other revenue	39,762	5,092	6,808	7,111
Total revenues	511,630	231,847	66,909	113,437
Expenditures				
Current				
Personnel services and employee benefits	307,012	230,399	125,031	41,191
Contractual services	214	1,000	14,862	-
In-state travel	3,725	4,137	2,018	458
Maintenance and repairs	876	493	-	-
Supplies and materials	2,845	14,980	560	3,545
Operating costs	73,289	10,106	7,362	5,673
Other costs	1,715	6,077	1,682	50
Out-of-state travel	-	-	-	904
Capital outlay	-	1,407	-	-
Total expenditures	389,676	268,599	151,515	51,821
Excess (deficiency) of revenues over expenditures	121,954	(36,752)	(84,606)	61,616
Other financing sources (uses)				
Operating transfers in	-	-	-	-
Operating transfers (out)	(54,239)	(40,712)	(13,752)	-
General fund appropriation	-	-	-	-
Reversions to state general fund	-	-	-	-
Total other financing sources (uses)	(54,239)	(40,712)	(13,752)	-
Net change in fund balance	67,715	(77,464)	(98,358)	61,616
Fund balances, beginning, as restated	232,831	472,689	274,575	68,152
Fund balances, end of year	\$ 300,546	395,225	176,217	129,768

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCES - ALL NONMAJOR FUNDS
Year Ended June 30, 2011

	Special Revenue			
	4730	4740	4750	5350
	Speech Language	Respiratory Care	Athletic Trainers	Naprapathy
Revenues				
License fees	\$ 164,528	80,057	22,640	6,500
Services	10,880	1,225	185	-
Publications	-	-	-	-
Federal sources	-	-	-	-
Interest on investments	599	-	137	-
Other revenue	6,385	563	225	100
Total revenues	182,392	81,845	23,187	6,600
Expenditures				
Current				
Personnel services and employee benefits	69,804	52,061	8,577	-
Contractual services	801	-	-	-
In-state travel	2,342	1,229	2,111	428
Maintenance and repairs	-	-	-	-
Supplies and materials	-	277	-	631
Operating costs	5,567	839	477	87
Other costs	2,896	208	8	66
Out-of-state travel	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	81,410	54,614	11,173	1,212
Excess (deficiency) of revenues over expenditures	100,982	27,231	12,014	5,388
Other financing sources (uses)				
Operating transfers in	-	-	-	-
Operating transfers (out)	(19,346)	(8,702)	(3,496)	-
General fund appropriation	-	-	-	-
Reversions to state general fund	-	-	-	-
Total other financing sources (uses)	(19,346)	(8,702)	(3,496)	-
Net change in fund balance	81,636	18,529	8,518	5,388
Fund balances, beginning, as restated	189,304	92,024	58,265	37,286
Fund balances, end of year	\$ 270,940	110,553	66,783	42,674

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCES - ALL NONMAJOR FUNDS
Year Ended June 30, 2011

	Special Revenue			
	6430 Carnival Ride Insurance	8760 Impaired Dentists	2110 Hoisting Operators	2011 Sign Language Services
Revenues				
License fees	\$ 16,800	-	18,480	2,656
Services	-	14,790	-	137
Publications	-	-	-	-
Federal sources	-	-	-	-
Interest on investments	-	-	160	731
Other revenue	-	-	-	160
Total revenues	16,800	14,790	18,640	3,684
Expenditures				
Current				
Personnel services and employee benefits	-	-	-	53,131
Contractual services	-	11,550	-	2,267
In-state travel	-	-	-	2,567
Maintenance and repairs	-	-	-	-
Supplies and materials	-	-	-	2,310
Operating costs	-	-	-	1,607
Other costs	-	-	-	-
Out-of-state travel	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	11,550	-	61,882
Excess (deficiency) of revenues over expenditures	16,800	3,240	18,640	(58,198)
Other financing sources (uses)				
Operating transfers in	-	-	-	110,800
Operating transfers (out)	-	-	-	(16,238)
General fund appropriation	-	-	-	-
Reversions to state general fund	-	-	-	-
Total other financing sources (uses)	-	-	-	94,562
Net change in fund balance	16,800	3,240	18,640	36,364
Fund balances, beginning, as restated	68,550	56,175	80,367	404,700
Fund balances, end of year	\$ 85,350	59,415	99,007	441,064

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCES - ALL NONMAJOR FUNDS
Year Ended June 30, 2011

	Special Revenue			Total
	2012	8900	1066	
	Animal Shelter Services	ARRA	Mortgage Regulatory Fund	
Revenues				
License fees	\$ 2,240	-	1,026,550	4,976,016
Services	-	-	-	407,089
Publications	-	-	-	12,500
Federal sources	-	213,584	-	236,749
Interest on investments	592	-	2,262	11,760
Other revenue	9,700	-	216,500	485,207
Total revenues	12,532	213,584	1,245,312	6,129,321
Expenditures				
Current				
Personnel services and employee benefits	51,139	100,767	259,211	3,081,535
Contractual services	9,875	102,821	113,003	303,523
In-state travel	2,066	1,981	-	117,844
Maintenance and repairs	-	-	-	2,157
Supplies and materials	-	110	794	67,789
Operating costs	938	5,849	30,696	341,074
Other costs	115	117	50	40,041
Out-of-state travel	-	1,145	1,310	5,936
Capital outlay	-	-	-	5,749
Total expenditures	64,133	212,790	405,064	3,965,648
Excess (deficiency) of revenues over expenditures	(51,601)	794	840,248	2,163,673
Other financing sources (uses)				
Operating transfers in	-	-	-	110,800
Operating transfers (out)	-	-	-	(594,793)
General fund appropriation	87,600	-	-	87,600
Reversions to state general fund	-	-	-	-
Total other financing sources (uses)	87,600	-	-	(396,393)
Net change in fund balance	35,999	794	840,248	1,767,280
Fund balances, beginning, as restated	274,376	(794)	728,498	7,404,003
Fund balances, end of year	\$ 310,375	-	1,568,746	9,171,283

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
REAL ESTATE RECOVERY FUND
Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Interest on Bank Deposits	\$ 3,300	3,300	533	(2,767)
Total revenues	<u>3,300</u>	<u>3,300</u>	<u>533</u>	<u>(2,767)</u>
Expenditures				
Other	50,000	50,000	-	50,000
Total expenditures	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	(46,700)	(46,700)	<u>\$ 533</u>	<u>47,233</u>
Cash balance carryforward	<u>-</u>	<u>46,700</u>		
Total	<u>\$ -</u>	<u>-</u>		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FINANCIAL INSTITUTIONS REVOLVING FUND
Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Interests on bank deposits	\$ -	-	-	-
Interest on investments	-	-	-	-
Manuals and codes	-	-	-	-
Total revenues	-	-	-	-
Expenditures				
Contractual services	-	-	-	-
Other	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	-	-	\$ -	-
Cash balance carryforward	-	-		
Total	\$ -	-		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
CONSTRUCTION INDUSTRIES REVOLVING FUND
Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Manuals and codes	\$ 100,000	100,000	12,227	(87,773)
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>12,227</u>	<u>(87,773)</u>
Expenditures				
Other	100,000	100,000	34,374	65,626
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>34,374</u>	<u>65,626</u>
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	-	-	<u>\$ (22,147)</u>	<u>(22,147)</u>
Cash balance carryforward	<u>-</u>	<u>-</u>		
Total	<u>\$ -</u>	<u>-</u>		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
BOARD OF BARBERS AND COSMETOLOGISTS FUND
Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 167,500	167,500	882,840	715,340
Registration for trades and professions licenses	636,400	636,400	-	(636,400)
Other registration fees	19,800	19,800	12,903	(6,897)
Trades and professions examination fees	-	-	-	-
Other current services	20,700	20,700	-	(20,700)
Manuals and codes	57,500	57,500	-	(57,500)
Other publications	-	-	-	-
Other penalties	-	-	85,341	85,341
Total revenues	901,900	901,900	981,084	79,184
Expenditures				
Personnel services and employee benefits	606,500	606,500	406,175	200,325
Contractual services	45,000	45,000	9,016	35,984
Other	102,000	102,000	74,111	27,889
Other financing uses	148,400	148,400	115,299	33,101
Total expenditures	901,900	901,900	604,601	297,299
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	-	-	\$ 376,483	376,483
Cash balance carryforward	-	-		
Total	\$ -	-		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
ATHLETIC COMMISSION
Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trade and professions licenses	\$ 2,300	2,300	7,557	5,257
Registration for trades and professions licenses	2,000	2,000	111,870	109,870
Other current services	136,500	136,500	-	(136,500)
Miscellaneous revenue	-	-	536	536
Total revenues	140,800	140,800	119,963	(20,837)
Expenditures				
Personnel services and employee benefits	78,200	88,200	66,462	21,738
Contractual services	9,000	16,040	6,303	9,737
Other	29,000	19,000	15,479	3,521
Other financing uses	24,600	24,600	19,113	5,487
Total expenditures	140,800	147,840	107,357	40,483
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	-	(7,040)	\$ 12,606	19,646
Cash balance carryforward	-	7,040		
Total	\$ -	-		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
MASSAGE THERAPY BOARD
Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 72,200	72,200	193,003	120,803
Registration for trades and professions licenses	171,600	171,600	5,626	(165,974)
Trades and professions examination fees	-	-	-	-
Other current services	3,900	3,900	-	(3,900)
Other publications	-	-	-	-
Other penalties	12,600	12,600	-	(12,600)
Miscellaneous revenue	-	-	17,560	17,560
Total revenues	260,300	260,300	216,189	(44,111)
Expenditures				
Personnel services and employee benefits	158,400	197,900	183,730	14,170
Contractual services	17,000	5,000	-	5,000
Other	45,400	30,915	17,334	13,581
Other financing uses	39,500	39,500	30,690	8,810
Total expenditures	260,300	273,315	231,754	41,561
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	-	(13,015)	\$ (15,565)	(2,550)
Cash balance carryforward	-	13,015		
Total	\$ -	-		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
COUNSELORS AND THERAPY PRACTICE BOARD
Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 120,500	120,500	402,377	281,877
Registration for trades and professions licenses	247,100	247,100	19,206	(227,894)
Trades and professions examination fees	7,700	7,700	-	(7,700)
Other current services	12,600	12,600	13,572	972
Other publications	-	-	-	-
Interest Investments	8,100	8,100	1,415	(6,685)
Other penalties	13,500	13,500	-	(13,500)
Interest on Bank Deposits	-	-	-	-
Miscellaneous Revenue	7,100	7,100	-	(7,100)
Other financing sources	-	-	-	-
Total revenues	416,600	416,600	436,570	19,970
Expenditures				
Personnel services and employee benefits	248,000	287,830	240,608	47,222
Contractual services	15,500	10,500	-	10,500
Other	84,400	70,400	35,072	35,328
Other financing uses	68,700	68,700	53,376	15,324
Total expenditures	416,600	437,430	329,056	108,374
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	-	(20,830)	\$ 107,514	128,344
Cash balance carryforward	-	20,830		
Total	\$ -	-		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
REAL ESTATE EDUCATION & TRAINING
Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ -	-	-	-
Registration for trades and professions licenses	225,000	225,000	3,700	225,000
Trades and professional exam fees	-	-	-	-
Other current services	-	-	-	-
Manuals and codes	-	-	-	-
Other publications	-	-	-	-
Other penalties	-	-	-	-
Other financing sources	-	-	-	-
Miscellaneous revenue	-	-	4,152	4,152
Total revenues	<u>225,000</u>	<u>225,000</u>	<u>7,852</u>	<u>229,152</u>
Expenditures				
Contractual services	225,000	225,000	6,099	225,000
				-
				-
Total expenditures	<u>225,000</u>	<u>225,000</u>	<u>6,099</u>	<u>225,000</u>
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	-	-	<u>\$ 1,753</u>	<u>454,152</u>
Cash balance carryforward	-	-		
Total	<u>\$ -</u>	<u>-</u>		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
BOARD OF CHIROPRACTIC EXAMINERS
Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 25,000	25,000	56,084	31,084
Registration for trades and professions licenses	116,400	116,400	21,700	(94,700)
Trades and professional exam fees	-	-	-	-
Other current services	20,000	20,000	-	(20,000)
Manuals and codes	-	-	-	-
Other publications	-	-	-	-
Other penalties	-	-	-	-
Miscellaneous revenue	-	-	200	200
Total revenues	161,400	161,400	77,984	(83,416)
Expenditures				
Personnel services and employee benefits	122,000	122,000	87,231	34,769
Contractual services	1,600	1,600	-	1,600
Other	17,800	17,800	8,808	8,992
Other financing uses	20,000	20,000	15,539	4,461
Total expenditures	161,400	161,400	111,578	49,822
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	-	-	\$ (33,594)	(33,594)
Cash balance carryforward	-	-		
Total	\$ -	-		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
BOARD OF DENTAL HEALTH CARE
Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 100,000	100,000	302,938	202,938
Other licenses and permits	-	-	13,571	13,571
Registration for trades and professions licenses	284,200	284,200	-	(284,200)
Registration for trades and professions	-	-	-	-
Other registration fees	-	-	-	-
Trades and professions examination fees	-	-	-	-
Other services	-	-	-	-
Other current services	12,300	12,300	-	(12,300)
Manuals and codes	-	-	-	-
Other publications	-	-	-	-
Court fines and forfeitures	-	-	-	-
Certification Fines	-	-	-	-
Other penalties	13,000	13,000	-	(13,000)
Miscellaneous revenue	-	-	16,617	16,617
Total revenues	409,500	409,500	333,126	(76,374)
Expenditures				
Personnel services and employee benefits	271,000	261,000	187,581	73,419
Contractual services	7,000	7,000	-	7,000
Other	64,200	74,200	43,945	30,255
Other financing uses	67,300	67,300	52,289	15,011
Total expenditures	409,500	409,500	283,815	125,685
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	-	-	\$ 49,311	49,311
Cash balance carryforward	-	-		
Total	\$ -	-		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
NUTRITION AND DIETETICS PRACTICE BOARD
Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 8,200	8,200	31,658	23,458
Other licenses and permits	-	-	280	280
Registration for trades and professions licenses	23,400	23,400	-	(23,400)
Other current services	200	200	-	(200)
Other publications	-	-	-	-
Other penalties	-	-	-	-
Miscellaneous revenue	-	-	375	375
Total revenues	31,800	31,800	32,313	513
Expenditures				
Personnel services and employee benefits	20,200	20,200	13,812	6,388
Contractual services	-	-	-	-
Other	10,200	10,200	4,303	5,897
Other financing uses	4,800	4,800	3,729	1,071
Total expenditures	35,200	35,200	21,844	13,356
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	(3,400)	(3,400)	<u>\$ 10,469</u>	<u>13,869</u>
Cash balance carryforward	<u>3,400</u>	<u>3,400</u>		
Total	<u>\$ -</u>	<u>-</u>		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
BOARD OF NURSING HOME ADMINISTRATORS
Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 15,000	15,000	42,416	27,416
Other licenses and permits	-	-	739	739
Registration for trades and professions licenses	26,500	26,500	-	(26,500)
Trades and professions examination fees	500	500	-	(500)
Other current services	700	700	-	(700)
Manuals and codes	-	-	-	-
Other publications	-	-	-	-
Other penalties	500	500	-	(500)
Miscellaneous revenue	-	-	300	300
Total revenues	<u>43,200</u>	<u>43,200</u>	<u>43,455</u>	<u>255</u>
Expenditures				
Personnel services and employee benefits	25,900	30,010	29,413	597
Contractual services	200	200	-	200
Other	8,200	6,250	3,463	2,787
Other financing uses	8,900	8,900	6,915	1,985
Total expenditures	<u>43,200</u>	<u>45,360</u>	<u>39,791</u>	<u>5,569</u>
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	-	(2,160)	<u>\$ 3,664</u>	<u>5,824</u>
Cash balance carryforward	-	<u>2,160</u>		
Total	<u>\$ -</u>	<u>-</u>		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
BOARD OF OCCUPATIONAL THERAPY PRACTICE
Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 3,000	3,000	76,543	73,543
Other licenses and permits	-	-	12,850	12,850
Registration for trades and professions licenses	16,000	16,000	-	(16,000)
Trades and professions examination fees	42,600	42,600	-	(42,600)
Other intra state services	-	-	-	-
Other current services	8,000	8,000	-	(8,000)
Manuals and codes	-	-	-	-
Other publications	-	-	-	-
Other penalties	4,700	4,700	-	(4,700)
Miscellaneous revenue	-	-	7,559	7,559
Total revenues	74,300	74,300	96,952	22,652
Expenditures				
Personnel services and employee benefits	46,200	46,200	29,683	16,517
Contractual services	2,000	2,000	-	2,000
Other	15,200	15,200	3,611	11,589
Other financing uses	10,900	10,900	8,469	2,431
Total expenditures	74,300	74,300	41,763	32,537
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	-	-	\$ 55,189	55,189
Cash balance carryforward	-	-		
Total	\$ -	-		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
OPTOMETRY BOARD
Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 5,300	5,300	12,212	6,912
Other licenses and permits	-	-	9,910	9,910
Registration for trades and professions licenses	49,900	49,900	-	(49,900)
Trades and professions examination fees	8,400	8,400	-	(8,400)
Other current services	1,300	1,300	-	(1,300)
Manuals and codes	-	-	-	-
Other publications	-	-	-	-
Other penalties	5,700	5,700	-	(5,700)
Miscellaneous revenue	1,100	1,100	2,700	1,600
Total revenues	71,700	71,700	24,822	(46,878)
Expenditures				
Personnel services and employee benefits	36,300	40,800	39,030	1,770
Contractual services	11,500	7,000	5,850	1,150
Other	12,900	12,900	6,875	6,025
Other financing uses	11,000	11,000	8,546	2,454
Total expenditures	71,700	71,700	60,301	11,399
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	-	-	\$ (35,479)	(35,479)
Cash balance carryforward	-	-		
Total	\$ -	-		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
BOARD OF OSTEOPATHIC MEDICAL EXAMINERS
Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 21,000	21,000	39,221	18,221
Other licenses and permits	-	-	5,305	5,305
Registration for trades and professions licenses	46,000	46,000	-	(46,000)
Other current services	5,300	5,300	-	(5,300)
Manuals and codes	-	-	-	-
Other publications	-	-	-	-
Interest on Bank Deposits	-	-	-	-
Interest on Investments	-	-	-	-
Other penalties	8,500	8,500	-	(8,500)
Miscellaneous revenue	-	-	5,900	5,900
Total revenues	<u>80,800</u>	<u>80,800</u>	<u>50,426</u>	<u>(30,374)</u>
Expenditures				
Personnel services and employee benefits	44,600	47,600	40,649	6,951
Contractual services	2,000	2,000	1,680	320
Other	24,300	21,300	8,754	12,546
Other financing uses	9,900	9,900	7,692	2,208
Total expenditures	<u>80,800</u>	<u>80,800</u>	<u>58,775</u>	<u>22,025</u>
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	-	-	<u>\$ (8,349)</u>	<u>(8,349)</u>
Cash balance carryforward	-	-		
Total	<u>\$ -</u>	<u>-</u>		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
PODIATRY BOARD
Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 1,700	1,700	38,329	36,629
Other licenses and permits	-	-	922	922
Registration for trades and professions licenses	31,400	31,400	-	(31,400)
Other current services	1,100	1,100	-	(1,100)
Manuals and codes	-	-	-	-
Other publications	-	-	-	-
Other penalties	300	300	-	(300)
Miscellaneous revenue	-	-	1,170	1,170
Total revenues	34,500	34,500	40,421	5,921
Expenditures				
Personnel services and employee benefits	18,800	18,800	13,240	5,560
Contractual services	500	500	-	500
Other	10,300	10,300	4,433	5,867
Other financing uses	5,300	5,300	4,118	1,182
Total expenditures	34,900	34,900	21,791	13,109
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	(400)	(400)	\$ 18,630	19,030
Cash balance carryforward	400	400		
Total	\$ -	-		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
PSYCHOLOGY BOARD
Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 20,400	20,400	186,476	166,076
Other licenses and permits	-	-	5,370	5,370
Registration for trades and professions licenses	181,000	181,000	-	(181,000)
Other registration fees	-	-	-	-
Trades and professions examination fees	-	-	-	-
Other current services	6,100	6,100	-	(6,100)
Manuals and codes	-	-	-	-
Other publications	-	-	-	-
Other penalties	4,300	4,300	-	(4,300)
Miscellaneous revenue	1,000	1,000	3,405	2,405
Other financing sources	-	-	-	-
Total revenues	212,800	212,800	195,251	(17,549)
Expenditures				
Personnel services and employee benefits	118,700	133,700	118,040	15,660
Contractual services	20,000	5,000	-	5,000
Other	38,100	38,100	16,204	21,896
Other financing uses	36,000	36,000	27,970	8,030
Total expenditures	212,800	212,800	162,214	50,586
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	-	-	\$ 33,037	33,037
Cash balance carryforward	-	-		
Total	\$ -	-		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
PHYSICAL THERAPY BOARD
Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 30,300	30,300	150,699	120,399
Other licenses and permits	-	-	27,345	27,345
Registration for trades and professions licenses	80,400	80,400	-	(80,400)
Trades and professions examination fees	-	-	-	-
Other current services	15,000	15,000	-	(15,000)
Manuals and codes	-	-	-	-
Other publications	-	-	-	-
Interest on investments	2,400	2,400	779	(1,621)
Other penalties	6,300	6,300	-	(6,300)
Miscellaneous revenue	-	-	5,850	5,850
Total revenues	134,400	134,400	184,673	50,273
Expenditures				
Personnel services and employee benefits	84,300	74,300	38,043	36,257
Contractual services	3,000	13,000	5,516	7,484
Other	26,400	26,400	12,313	14,087
Other financing uses	20,700	20,700	16,083	4,617
Total expenditures	134,400	134,400	71,955	62,445
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	-	-	\$ 112,718	112,718
Cash balance carryforward	-	-		
Total	\$ -	-		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
THANATOPRACTICE BOARD
Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 21,900	21,900	127,590	105,690
Other licenses and permits	-	-	1,580	1,580
Registration for trades and professions licenses	94,500	94,500	-	(94,500)
Trades and professions examination fees	-	-	-	-
Other current services	200	200	-	(200)
Manuals and codes	-	-	273	273
Other publications	3,700	3,700	-	(3,700)
Interest on bank deposits	1,100	1,100	544	(556)
Other penalties	-	-	-	-
Miscellaneous revenue	2,200	2,200	4,717	2,517
Total revenues	123,600	123,600	134,704	11,104
Expenditures				
Personnel services and employee benefits	82,700	91,200	87,676	3,524
Contractual services	7,900	7,900	1,000	6,900
Other	33,400	24,900	12,189	12,711
Other financing uses	19,700	19,700	15,306	4,394
Total expenditures	143,700	143,700	116,171	27,529
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	(20,100)	(20,100)	\$ 18,533	38,633
Cash balance carryforward	20,100	20,100		
Total	\$ -	-		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
INTERIOR DESIGN BOARD
Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 1,300	1,300	28,308	27,008
Other licenses and permits	-	-	85	85
Registration for trades and professions licenses	24,600	24,600	-	(24,600)
Other registration fees	100	100	-	(100)
Other services	-	-	-	-
Other current services	100	100	-	(100)
Manuals and codes	-	-	-	-
Other publications	-	-	-	-
Other penalties	1,800	1,800	-	(1,800)
Miscellaneous revenue	500	500	1,954	1,454
Total revenues	<u>28,400</u>	<u>28,400</u>	<u>30,347</u>	<u>1,947</u>
Expenditures				
Personnel services and employee benefits	11,000	13,520	13,016	504
Contractual services	-	-	-	-
Other	9,100	8,000	4,978	3,022
Other financing uses	8,300	8,300	6,449	1,851
Total expenditures	<u>28,400</u>	<u>29,820</u>	<u>24,443</u>	<u>5,377</u>
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	-	(1,420)	<u>\$ 5,904</u>	<u>7,324</u>
Cash balance carryforward	-	<u>1,420</u>		
Total	<u>\$ -</u>	<u>-</u>		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
PRIVATE INVESTIGATORS AND POLYGRAPHERS BOARD
Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 50,000	50,000	127,663	77,663
Other licenses and permits	-	-	705	705
Registration for trades and professions licenses	84,700	84,700	-	(84,700)
Other registration fees	-	-	-	-
Trades and professions examination fees	-	-	-	-
Other current services	5,000	5,000	-	(5,000)
Interest on bank deposits	-	-	-	-
Interest on investments	2,100	2,100	372	(1,728)
Other penalties	-	-	-	-
Miscellaneous revenue	5,000	5,000	12,105	7,105
Total revenues	146,800	146,800	140,845	(5,955)
Expenditures				
Personnel services and employee benefits	89,000	74,000	61,523	12,477
Contractual services	5,000	5,000	4,844	156
Other	27,300	42,300	28,481	13,819
Other financing uses	25,500	25,500	19,812	5,688
Total expenditures	146,800	146,800	114,660	32,140
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	-	-	\$ 26,185	26,185
Cash balance carryforward	-	-		
Total	\$ -	-		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
BOARD OF LANDSCAPE ARCHITECTS
Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 3,200	3,200	40,280	37,080
Registration for trades and professions licenses	27,100	27,100	260	(26,840)
Trades and professions examination fees	-	-	-	-
Other current services	-	-	-	-
Manuals and codes	-	-	-	-
Other publications	-	-	-	-
Other penalties	2,800	2,800	-	(2,800)
Miscellaneous revenue	-	-	-	-
Other financing sources	-	-	3,000	3,000
Total revenues	33,100	33,100	43,540	10,440
Expenditures				
Personnel services and employee benefits	15,700	17,355	16,871	484
Contractual services	1,000	-	-	-
Other	10,200	11,200	9,973	1,227
Other financing uses	6,200	6,200	4,817	1,383
Total expenditures	33,100	34,755	31,661	3,094
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	-	(1,655)	\$ 11,879	13,534
Cash balance carryforward	-	1,655		
Total	\$ -	-		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
REAL ESTATE APPRAISERS BOARD
Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 44,400	44,400	154,921	110,521
Other licenses and permits	-	-	21,482	21,482
Registration for trades and professions licenses	115,200	115,200	-	(115,200)
Registration for trades and professions exam fees	100	100	-	(100)
Other registration fees	-	-	-	-
Other services	-	-	-	-
Other current services	12,300	12,300	-	(12,300)
Manuals and codes	-	-	-	-
Other publications	-	-	-	-
Interest on bank deposits	-	-	-	-
Court fines and forfeitures	-	-	-	-
Interest on investments	1,700	1,700	552	(1,148)
Other penalties	6,600	6,600	-	(6,600)
Miscellaneous revenue	-	-	5,900	5,900
Total revenues	180,300	180,300	182,855	2,555
Expenditures				
Personnel services and employee benefits	110,200	114,700	110,429	4,271
Contractual services	11,500	11,500	6,822	4,678
Other	30,600	35,115	25,167	9,948
Other financing uses	28,000	28,000	22,096	5,904
Total expenditures	180,300	189,315	164,514	24,801
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	-	(9,015)	\$ 18,341	27,356
Cash balance carryforward	-	9,015		
Total	\$ -	-		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
BOARD OF ACCOUNTANCY
Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 21,600	21,600	469,418	447,818
Other licenses and permits	-	-	1,340	1,340
Registration for trades and professions licenses	410,000	410,000	-	(410,000)
Other registration fees	-	-	-	-
Trades and professions examination fees	-	-	-	-
Other current services	3,000	3,000	-	(3,000)
Interest on investments	1,000	1,000	1,110	110
Other penalties	12,000	12,000	-	(12,000)
Miscellaneous revenue	6,600	6,600	-	(6,600)
Other Financing Sources	-	-	39,762	39,762
Total revenues	454,200	454,200	511,630	57,430
Expenditures				
Personnel services and employee benefits	298,000	308,000	307,012	988
Contractual services	17,000	7,000	214	6,786
Other	125,300	125,300	82,450	42,850
Other financing uses	69,300	69,300	54,239	15,061
Total expenditures	509,600	509,600	443,915	65,685
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	(55,400)	(55,400)	\$ 67,715	123,115
Cash balance carryforward	55,400	55,400		
Total	\$ -	-		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
SOCIAL WORK EXAMINERS BOARD
Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 53,500	53,500	219,328	165,828
Other licenses and permits	-	-	6,238	6,238
Registration for trades and professions licenses	250,600	250,600	-	(250,600)
Trades and professions examination fees	-	-	-	-
Other current services	8,600	8,600	-	(8,600)
Interest on bank deposits	10,100	10,100	-	(10,100)
Interest on investments	-	-	1,189	1,189
Other penalties	3,800	3,800	-	(3,800)
Miscellaneous revenue	100	100	-	(100)
Other Financing Sources	-	-	5,092	5,092
Total revenues	326,700	326,700	231,847	(94,853)
Expenditures				
Personnel services and employee benefits	241,500	241,500	230,399	11,101
Contractual services	7,300	7,300	1,000	6,300
Other	69,100	69,100	37,200	31,900
Other financing uses	52,400	52,400	40,712	11,688
Total expenditures	370,300	370,300	309,311	60,989
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	(43,600)	(43,600)	\$ (77,464)	(33,864)
Cash balance carryforward	43,600	43,600		
Total	\$ -	-		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
ACUPUNCTURE BOARD
Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 28,500	28,500	42,004	13,504
Other licenses and permits	2,700	2,700	17,424	14,724
Registration for trades and professions licenses	142,900	142,900	-	(142,900)
Trades and professions examination fees	27,500	27,500	-	(27,500)
Other current services	4,200	4,200	-	(4,200)
Manuals and codes	-	-	-	-
Other publications	-	-	-	-
Other penalties	6,300	6,300	-	(6,300)
Interest on bank deposits	-	-	673	673
Miscellaneous revenue	1,400	1,400	6,808	5,408
Total revenues	213,500	213,500	66,909	(146,591)
Expenditures				
Personnel services and employee benefits	168,200	163,200	125,031	38,169
Contractual services	19,200	19,200	14,862	4,338
Other	21,000	26,000	11,622	14,378
Other financing uses	17,700	17,700	13,752	3,948
Total expenditures	226,100	226,100	165,267	60,833
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	(12,600)	(12,600)	\$ (98,358)	(85,758)
Cash balance carryforward	12,600	12,600		
Total	\$ -	-		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
HUD MANUFACTURED HOUSING
Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Federal Grants	\$ 107,000	107,000	23,165	(83,835)
Other Current Services	-	-	83,161	83,161
Miscellaneous revenue	-	-	7,111	7,111
	<hr/>			
Total revenues	107,000	107,000	113,437	6,437
	<hr/>			
Expenditures				
Personnel services and employee benefits	-	42,000	41,191	809
Contractual services	-	-	-	-
Other	107,000	65,000	10,630	54,370
	<hr/>			
Total expenditures	107,000	107,000	51,821	55,179
	<hr/>			
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	-	-	\$ 61,616	61,616
	<hr/>			
Cash balance carryforward	-	-		
	<hr/>			
Total	\$ -	-	-	
	<hr/>			

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
SPEECH, LANGUAGE PATHOLOGY, AND AUDIOLOGY BOARD
Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 28,300	28,300	164,528	136,228
Other licenses and permits	-	-	10,880	10,880
Registration for trades and professions licenses	130,600	130,600	-	(130,600)
Other registration fees	-	-	-	-
Trades and professions examination fees	200	200	-	(200)
Other current services	6,300	6,300	-	(6,300)
Manuals and codes	-	-	-	-
Other publications	-	-	-	-
Interest on bank deposits	-	-	-	-
Interest on investments	2,000	2,000	599	(1,401)
Other penalties	3,400	3,400	-	(3,400)
Miscellaneous revenue	-	-	6,385	6,385
Total revenues	170,800	170,800	182,392	11,592
Expenditures				
Personnel services and employee benefits	119,000	114,000	69,804	44,196
Contractual services	7,700	12,700	801	11,899
Other	19,200	19,200	10,805	8,395
Other financing uses	24,900	24,900	19,346	5,554
Total expenditures	170,800	170,800	100,756	70,044
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	-	-	\$ 81,636	81,636
Cash balance carryforward	-	-		
Total	\$ -	-		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
RESPIRATORY CARE ADVISORY BOARD
Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 11,700	11,700	80,057	68,357
Other licenses and permits	700	700	1,225	525
Registration for trades and professions licenses	1,200	1,200	-	(1,200)
Other registration fees	100	100	-	(100)
Other current services	1,400	1,400	-	(1,400)
Manuals and codes	-	-	-	-
Other publications	-	-	-	-
Other penalties	700	700	563	(137)
Total revenues	<u>15,800</u>	<u>15,800</u>	<u>81,845</u>	<u>66,045</u>
Expenditures				
Personnel services and employee benefits	51,300	53,007	52,061	946
Contractual services	-	-	-	-
Other	5,800	7,508	2,553	4,955
Other financing uses	11,200	11,200	8,702	2,498
Total expenditures	<u>68,300</u>	<u>71,715</u>	<u>63,316</u>	<u>8,399</u>
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	(52,500)	(55,915)	<u>\$ 18,529</u>	<u>74,444</u>
Cash balance carryforward	<u>52,500</u>	<u>55,915</u>		
Total	<u>\$ -</u>	<u>-</u>		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
ATHLETIC TRAINER'S BOARD
Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 6,200	6,200	22,640	16,440
Registration for trades and professions licenses	12,900	12,900	-	(12,900)
Trades and professions examination fees	-	-	-	-
Other current services	500	500	185	(315)
Other publications	-	-	-	-
Other penalties	1,400	1,400	225	(1,175)
Interest on investments	-	-	137	137
Other financing sources	-	-	-	-
Total revenues	21,000	21,000	23,187	2,187
Expenditures				
Personnel services and employee benefits	11,000	11,000	8,577	2,423
Contractual services	500	500	-	500
Other	5,000	5,000	2,596	2,404
Other financing uses	4,500	4,500	3,496	1,004
Total expenditures	21,000	21,000	14,669	6,331
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	-	-	\$ 8,518	8,518
Cash balance carryforward	-	-		
Total	\$ -	-		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
NAPRAPATHY BOARD
Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 500	500	6,500	6,000
Other licenses and permits	-	-	-	-
Registration for trades and professions licenses	2,600	2,600	-	(2,600)
Other current services	200	200	100	(100)
Other revenue	-	-	-	-
Total revenues	<u>3,300</u>	<u>3,300</u>	<u>6,600</u>	<u>3,300</u>
Expenditures				
Other	<u>5,400</u>	<u>5,400</u>	<u>1,212</u>	<u>4,188</u>
Total expenditures	<u>5,400</u>	<u>5,400</u>	<u>1,212</u>	<u>4,188</u>
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	(2,100)	(2,100)	<u>\$ 5,388</u>	<u>7,488</u>
Cash balance carryforward	<u>2,100</u>	<u>2,100</u>		
Total	<u>\$ -</u>	<u>-</u>		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
CARNIVAL RIDE INSURANCE
Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Other licenses and permits	\$ -	-	16,800	16,800
Total revenues	<u>-</u>	<u>-</u>	<u>16,800</u>	<u>16,800</u>
Expenditures				
Other financing uses	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	-	-	<u>\$ 16,800</u>	<u>16,800</u>
Cash balance carryforward	-	-		
Total	<u>\$ -</u>	<u>-</u>		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
IMPAIRED DENTISTS AND DENTAL HYGIENISTS BOARD
Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Other services	\$ 15,000	15,000	14,790	(210)
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>14,790</u>	<u>(210)</u>
Expenditures				
Contractual services	15,000	15,000	11,550	3,450
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>11,550</u>	<u>3,450</u>
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	-	-	\$ 3,240	3,240
Cash balance carryforward	-	-		
Total	<u>\$ -</u>	<u>-</u>	<u>-</u>	

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
HOISTING OPERATORS
Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Other Licenses & Permits	\$ -	-	18,480	18,480
Other revenue	-	-	160	160
	<hr/>			
Total revenues	-	-	18,640	18,640
	<hr/>			
Expenditures				
Contractual services			-	-
	<hr/>			
Total expenditures	-	-	-	-
	<hr/>			
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	-	-	\$ 18,640	18,640
	<hr/>			
Cash balance carryforward	-	-		
	<hr/>			
Total	\$ -	-		
	<hr/>			

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
SIGN LANGUAGE SERVICES BOARD
Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
License fees	\$ -	-	2,656	2,656
Services	-	-	137	137
Interest on investments	-	-	731	731
Other revenue	-	-	160	160
Other financing sources	110,800	110,800	110,800	-
Total revenues	110,800	110,800	114,484	-
Expenditures				
Personnel services and employee benefits	92,500	92,500	53,131	39,369
Contractual services	8,000	8,000	2,267	5,733
Other	39,000	39,000	6,484	32,516
Other financing uses	20,900	20,900	16,238	4,662
Total expenditures	160,400	160,400	78,120	82,280
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	(49,600)	(49,600)	\$ 36,364	82,280
Cash balance carryforward	49,600	49,600		
Total	\$ -	-		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
ANIMAL SHELTERING SERVICES BOARD
Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
License fees	\$ -	-	2,240	2,240
Interest on investments	-	-	592	592
Other revenue	-	-	9,700	9,700
General Fund Appropriation	87,600	87,600	87,600	-
Total revenues	<u>87,600</u>	<u>87,600</u>	<u>100,132</u>	<u>12,532</u>
Expenditures				
Personnel services and employee benefits	56,900	56,900	51,139	5,761
Contractual services	25,300	25,300	9,875	15,425
Other	5,400	5,400	3,119	2,281
Other financing uses	-	-	-	-
Total expenditures	<u>87,600</u>	<u>87,600</u>	<u>64,133</u>	<u>23,467</u>
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	-	-	<u>\$ 35,999</u>	<u>35,999</u>
Cash balance carryforward	-	-		
Total	<u>\$ -</u>	<u>-</u>		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL -
GENERAL FUND - CONSTRUCTION INDUSTRIES AND HOUSING
Year Ended June 30, 2011
Program 1

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
State general fund appropriation	\$ 8,770,600	8,494,100	8,494,100	-
Reversion to State General Fund	-	-	-	-
Other licenses and permits	-	-	168,058	168,058
Federal revenues	308,237	308,237	-	(308,237)
Miscellaneous revenue	-	-	-	-
Other revenue	-	-	-	-
Other financing sources	-	-	-	-
Total revenues	9,078,837	8,802,337	8,662,158	(140,179)
Expenditures				
Personnel services and employee benefits	7,250,760	7,018,100	6,959,386	58,714
Contractual services	328,094	239,500	208,061	31,439
Other	1,499,983	1,544,737	1,287,895	256,842
Other financing uses	-	-	-	-
Total expenditures	9,078,837	8,802,337	8,455,342	346,995
Excess (deficiency) of revenues over expenditures (beginning cash balance used to balance budget	-	-	\$ 206,816	206,816
Cash balance carryforward	-	-		
Total	\$ -	-		

See Notes to Financial Statements.

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL -
GENERAL FUND- FINANCIAL INSTITUTION AND SECURITIES
Year Ended June 30, 2011
Program 2

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
State general fund appropriation	\$ 2,639,800	2,554,100	2,554,100	-
Reversion to State General Fund	-	-	-	-
Other licenses and permits	-	-	-	-
Federal revenues	-	-	-	-
Miscellaneous revenue	-	-	-	-
Other revenue	-	-	553	553
Other financing sources	-	-	-	-
Total revenues	2,639,800	2,554,100	2,554,653	553
Expenditures				
Personnel services and employee benefits	2,390,700	2,313,100	2,084,970	228,130
Contractual services	28,100	14,752	8,752	6,000
Other	221,000	226,248	180,741	45,507
Other financing uses	-	-	-	-
Total expenditures	2,639,800	2,554,100	2,274,463	279,637
Excess (deficiency) of revenues over expenditures (beginning cash balance used to balance budget	-	-	\$ 280,190	280,190
Cash balance carryforward	-	-		
Total	\$ -	-		

See Notes to Financial Statements.

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL -
GENERAL FUND-ALCOHOL AND GAMING
Year Ended June 30, 2011
Program 3

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
State general fund appropriation	\$ 912,900	883,200	883,200	-
Reversion to State General Fund	-	-	-	-
Other licenses and permits	-	-	-	-
Federal funds	-	-	-	-
Miscellaneous revenue	-	-	-	-
Other revenue	-	-	135	135
Other financing sources	-	-	-	-
Total revenues	912,900	883,200	883,335	135
Expenditures				
Personnel services and employee benefits	829,300	802,400	780,685	21,715
Contractual services	44,800	11,900	3,678	8,222
Other	38,800	68,900	59,281	9,619
Other financing uses	-	-	-	-
Total expenditures	912,900	883,200	843,644	39,556
Excess (deficiency) of revenues over expenditures (beginning cash balance used to balance budget	-	-	\$ 39,691	39,691
Cash balance carryforward	-	-	-	-
Total	\$ -	-	-	-

See Notes to Financial Statements.

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL -
GENERAL FUND - PROGRAM SUPPORT
Year Ended June 30, 2011
Program 4

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
State general fund appropriation	\$ 1,881,200	1,820,200	1,820,200	-
Reversion to State General Fund	-	-	(1,706,252)	(1,706,252)
Other licenses and permits	-	-	-	-
Federal revenues	-	122,183	271,537	(149,354)
Miscellaneous revenues	-	-	-	-
Other revenues	-	-	5,224	5,224
Other financing sources	1,434,100	1,409,100	1,098,146	(310,954)
Total revenues	3,315,300	3,351,483	1,488,855	(2,161,336)
Expenditures				
Personnel services and employee benefits	2,501,500	2,537,600	2,079,602	457,998
Contractual services	232,300	294,560	281,681	12,879
Other	581,500	519,323	495,155	24,168
Other financing uses	-	-	-	-
Total expenditures	3,315,300	3,351,483	2,856,438	495,045
Excess (deficiency) of revenues over expenditures (beginning cash balance used to balance budget	-	-	\$ (1,367,583)	(1,666,291)
Cash balance carryforward	-	-		
Total	\$ -	-		

See Notes to Financial Statements.

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
ARRA
Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Federal Grants	\$ -	14,183	213,584	199,401
Total revenues	<u>-</u>	<u>14,183</u>	<u>213,584</u>	<u>199,401</u>
Expenditures				
Personal services and employee benefits	170,625	184,808	100,767	84,041
Contractual services	190,000	190,000	102,821	87,179
Other	69,375	69,375	9,202	60,173
-	-	-	-	-
Total expenditures	<u>430,000</u>	<u>444,183</u>	<u>212,790</u>	<u>231,393</u>
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	(430,000)	(430,000)	<u>\$ 794</u>	<u>430,794</u>
Cash balance carryforward	<u>-</u>	<u>430,000</u>		
Total	<u>\$ -</u>	<u>-</u>		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
MORTGAGE REGULATORY FUND
Year Ended June 30, 2011

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trade and professions licenses	\$ 97,700	97,700	1,026,550	928,850
Other registration fees	97,800	97,800	-	(97,800)
Other Exam Fees	97,700	97,700	-	(97,700)
Interest on investments	-	-	2,262	2,262
Other revenue	-	-	216,500	216,500
Total revenues	293,200	293,200	1,245,312	952,112
Expenditures				
Personnel services and employee benefits	293,200	403,700	259,211	144,489
Contractual services	-	119,000	113,003	5,997
Other	-	68,263	32,850	35,413
Other financing uses	-	-	-	-
Total expenditures	293,200	590,963	405,064	185,899
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	-	(297,763)	\$ 840,248	1,138,011
Cash balance carryforward	-	297,763		
Total	\$ -	-		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
June 30, 2011

	FID Receipts	MHD Receipts	CID Receipts
ASSETS			
Interest in State Treasurer General Fund Investment Pool	\$ 7,415	6,435	62,344
LIABILITIES			
Due to State General Fund	\$ 7,415	6,435	62,344

	SEC Receipts	Alcohol and Gaming Receipts	Total
ASSETS			
Interest in State Treasurer General Fund Investment Pool	\$ 102,650	55,516	234,360
LIABILITIES			
Due to State General Fund	\$ 102,650	55,516	234,360

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINING SCHEDULE OF CHANGES
IN ASSETS AND LIABILITIES
AGENCY FUNDS
June 30, 2011

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
FID RECEIPTS				
ASSETS				
Interest in State Treasurer General Fund Investment Pool	\$ 4,220	3,108,796	3,105,601	7,415
Total assets	\$ 4,220	3,108,796	3,105,601	7,415
LIABILITIES				
Due to State General Fund	\$ 4,220	3,108,796	3,105,601	7,415
Total liabilities	\$ 4,220	3,108,796	3,105,601	7,415
MHD RECEIPTS				
ASSETS				
Interest in State Treasurer General Fund Investment Pool	\$ 8,658	549,941	552,164	6,435
Total assets	\$ 8,658	549,941	552,164	6,435
LIABILITIES				
Due to State General Fund	\$ 8,658	549,941	552,164	6,435
Total liabilities	\$ 8,658	549,941	552,164	6,435

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINING SCHEDULE OF CHANGES
IN ASSETS AND LIABILITIES (CONTINUED)
AGENCY FUNDS
June 30, 2011

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
CID RECEIPTS				
ASSETS				
Interest in State Treasurer General Fund Investment Pool	\$ 46,486	5,688,658	5,672,800	<u>62,344</u>
Total assets	<u>\$ 46,486</u>	<u>5,688,658</u>	<u>5,672,800</u>	<u>62,344</u>
LIABILITIES				
Due to State General Fund	\$ 46,486	5,688,658	5,672,800	<u>62,344</u>
Total liabilities	<u>\$ 46,486</u>	<u>5,688,658</u>	<u>5,672,800</u>	<u>62,344</u>
SEC RECEIPTS				
ASSETS				
Interest in State Treasurer General Fund Investment Pool	\$ 104,415	18,399,103	18,400,868	<u>102,650</u>
Total assets	<u>\$ 104,415</u>	<u>18,399,103</u>	<u>18,400,868</u>	<u>102,650</u>
LIABILITIES				
Due to State General Fund	\$ 104,415	18,399,103	18,400,868	<u>102,650</u>
Total liabilities	<u>\$ 104,415</u>	<u>18,399,103</u>	<u>18,400,868</u>	<u>102,650</u>

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINING SCHEDULE OF CHANGES
IN ASSETS AND LIABILITIES (CONTINUED)
AGENCY FUNDS
June 30, 2011

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
ALCOHOL AND GAMING RECEIPTS				
ASSETS				
Interest in State Treasurer General Fund Investment Pool	\$ 66,258	3,840,462	3,851,204	55,516
Total assets	\$ 66,258	3,840,462	3,851,204	55,516
LIABILITIES				
Due to State General Fund	\$ 66,258	3,840,462	3,851,204	55,516
Total liabilities	\$ 66,258	3,840,462	3,851,204	55,516

See Notes to Financial Statements.

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
SCHEDULE OF CASH ACCOUNTS
Year Ended June 30, 2011

Name of Fund	Fund Type	SHARE Fund Number	Interest Bearing	Type of Account	Balance at June 30, 2011
General Fund					
NM State Treasurer	General	4330	NO	State Treasury	\$ 552,989
Petty cash	Imprest				-
Total General Fund cash					<u>552,989</u>
Special Revenue Fund					
Securities Education	Special Revenue	0440	YES	State Treasury	2,405,431
Vehicle Replacement	Special Revenue	2960	NO	State Treasury	-
Real Estate Recovery	Special Revenue	2970	YES	State Treasury	291,046
FID Revolving Fund	Special Revenue	3720	NO	State Treasury	200
CID Revolving Fund	Special Revenue	3730	NO	State Treasury	196,005
Barber and Cosmetology	Special Revenue	4390	NO	State Treasury	1,903,793
Athletic Commission	Special Revenue	4410	NO	State Treasury	92,214
Massage Therapy	Special Revenue	4420	NO	State Treasury	389,767
Counselors and Therapists	Special Revenue	4440	YES	State Treasury	758,782
Real Estate Education and Training	Special Revenue	4450	YES	State Treasury	72,501
Chiropractic Examiners	Special Revenue	4460	NO	State Treasury	512,619
Dental	Special Revenue	4470	NO	State Treasury	720,520
Nutrition and Dietetics	Special Revenue	4480	NO	State Treasury	121,450
Nursing Home Administration	Special Revenue	4490	NO	State Treasury	88,152
Occupational Therapy	Special Revenue	4500	NO	State Treasury	339,799
Optometry	Special Revenue	4510	NO	State Treasury	274,245
Osteopathic Examiners	Special Revenue	4520	NO	State Treasury	480,932
Podiatry	Special Revenue	4530	NO	State Treasury	113,476
Psychologist	Special Revenue	4540	NO	State Treasury	434,126
Physical Therapist	Special Revenue	4550	YES	State Treasury	530,632
Thanatopractice	Special Revenue	4560	YES	State Treasury	332,702
Interior Design	Special Revenue	4570	NO	State Treasury	59,942
Private Investigation	Special Revenue	4590	YES	State Treasury	412,526
Landscape Architects	Special Revenue	4600	NO	State Treasury	135,351
Pharmacy	Special Revenue	4640	NO	State Treasury	2,614,838
Pharmacy	Imprest				-
Real Estate Appraisers	Special Revenue	4650	YES	State Treasury	418,677
Accountancy	Special Revenue	4660	YES	State Treasury	678,916
Accountancy	Imprest				-
Real Estate Commission	Special Revenue	4670	NO	State Treasury	1,835,196
Real Estate Commission	Imprest				-
Social Workers	Special Revenue	4690	YES	State Treasury	730,912
Acupuncture	Special Revenue	4710	YES	State Treasury	326,366
HUD Manufactured Housing	Special Revenue	4720	NO	State Treasury	117,370
Speech Language	Special Revenue	4730	YES	State Treasury	396,616
Respiratory Care	Special Revenue	4740	NO	State Treasury	145,487
Athletic Trainers	Special Revenue	4750	YES	State Treasury	76,012
Naprapathy	Special Revenue	5350	NO	State Treasury	41,621
Carnival Ride Insurance	Special Revenue	6430	NO	State Treasury	85,350
Impaired Dentists	Special Revenue	8760	NO	State Treasury	59,415
Hoisting Operators	Special Revenue	2110	YES	State Treasury	99,048
Sign Language Services	Special Revenue	2011	YES	State Treasury	456,479
Animal Sheltering Services	Special Revenue	2012	YES	State Treasury	313,664
Mortgage Regulatory	Special Revenue	1066	YES	State Treasury	1,562,117
Total Special Revenue					<u>20,624,295</u>
Total General Fund and Special Revenue Funds					<u><u>21,177,284</u></u>

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
SCHEDULE OF CASH ACCOUNTS
Year Ended June 30, 2011

Fiduciary Fund					
FID Receipts Fund	Fiduciary	4350	NO	State Treasury	7,415
MHD Receipts	Fiduciary	4360	NO	State Treasury	6,435
CID Receipts Fund	Fiduciary	4370	NO	State Treasury	62,344
SEC Receipts Fund	Fiduciary	4380	NO	State Treasury	102,650
Alcohol and Gaming Receipts	Fiduciary	8080	NO	State Treasury	55,516
Total Fiduciary Funds					<u>234,360</u>
State Treasurer-cash deficit					
ARRA	Special Revenue	8900	NO	State Treasury	52,439
Total all funds					<u>\$ 21,359,205</u>

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

J. Dee Dennis, Jr., Superintendent
State of New Mexico
Regulation and Licensing Department
and
Mr. Hector H. Balderas
New Mexico State Auditor
Santa Fe, New Mexico

We have audited the financial statements of the governmental activities, each major fund, the budgetary comparisons for the general fund and major special revenue funds, and the aggregate remaining fund information of the State of New Mexico Regulation and Licensing Department (Department) as of and for the year ended June 30, 2011 as listed in the table of contents, and have issued our report thereon dated December 6, 2011. We have also audited the financial statements of each of the Department's nonmajor governmental funds, respective budgetary comparisons and fiduciary funds presented as supplemental information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2011, as listed in the table of contents. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

J. Dee Dennis, Jr., Superintendent
State of New Mexico
Regulation and Licensing Department
and
Mr. Hector H. Balderas
New Mexico State Auditor

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 financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and responses as items 2006-6, 11-01, 11-02, 11-04, 11-05 and 11-06 that we consider to be significant deficiencies in internal control over financial reporting. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 11-01, 11-03 and 11-06.

J. Dee Dennis, Jr., Superintendent
State of New Mexico
Regulation and Licensing Department
and
Mr. Hector H. Balderas
New Mexico State Auditor

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

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

Mess Adams LLP

Albuquerque, New Mexico
December 6, 2011

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2011**

Finding

2006-6 Disaster Recovery Plan (Significant Deficiency)
2006-8 Actual Expenditures Exceeded Budgeted Amounts
(Significant Deficiency)

Current Status

Repeated & Updated
Resolved

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2011**

A. FINDINGS - FINANCIAL STATEMENT AUDIT

**2006-06 Approve And Test Disaster Recovery Plan (Significant Deficiency) -
Repeated & Updated**

Condition

The Department has prepared a Disaster Recovery Plan (Plan) in August 2011. We noted that the Plan has not been approved by management and that testing is not completed.

Criteria

Per State of NM Statewide Guideline "Enterprise IT Security Policy", S-GUIDE-00.003, "the State of New Mexico shall securely and economically protect its business functions including public access to appropriate information and resources, while maintaining compliance with legal requirements established by existing Federal and State statutes pertaining to confidentiality privacy, accessibility, availability, and integrity. This includes a Disaster Recovery Plan in order to reduce the impact of a major disruption on key business functions and processes.

Effect

The lack of approved Disaster Recovery Plan and absence of testing may pose questions as to the Department's ability to respond and recover its critical data and applications in the event of an unforeseen disaster.

Cause

The Department just completed the Disaster Recovery Plan in August 2011 and is still working a on a way to test the Plan.

Recommendation

We recommend that the Department's management review the Disaster Recovery Plan. The Plan should be based on risk understanding of potential business impacts and should address requirements for resilience, alternative processing and recovery capability of all critical IT services. They should also cover usage guidelines, roles and responsibilities, procedures, communication processes, and the testing approach. In addition, it would be prudent for the Department to test the Plan to ensure the viability and the timeliness of its execution. The Department has an obligation to its stakeholders and the people it serves to ensure that it has a plan for continued business operations. System recovery testing and backup tape restoration should be conducted periodically and the tests should be documented and

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2011**

A. FINDINGS - FINANCIAL STATEMENT AUDIT

**2006-06 Approve And Test Disaster Recovery Plan (Significant Deficiency) -
Repeated & Updated (Continued)**

Recommendations (Continued)

formalized to be included with the Department's overall business continuity planning. Doing so will prepare the Department for continuing operations in the event of an unforeseen disaster.

Management's Response

Since the findings of 2006 and more specifically over the past year, the Information Technology (IT) Division has made significant progress in the area of Disaster Recovery. They purchased hardware and set up an alternate physical site in the Toney Anaya server room. They also configured automated file replication between the Simms data center and the DR site and successfully tested that replication technology for select file systems. The Disaster Recovery (DR) Plan created in August 2011 is the first such plan prepared for the Department in over 5 years. It outlines the general procedures that RLD IT staff should follow in the event of a disaster occurring at RLD's primary data center, i.e., the Simms Data Center in Santa Fe, NM. It also details the technical architecture of the DR site, lists IT contact names, emails, and phone numbers, and identifies locations of necessary documentation needed in the event of having to rebuild services and files to the alternate location. Moreover, it lists the core RLD applications that would be restored in the event of a disaster and the vendor contact information (where applicable) for each. As noted in the finding, the scope of the plan is limited to the responsibilities and tasks required of the IT staff in restoring data and resuming system operations. While system backup and recovery systems are tested at intervals, they are not tested on a pre-determined schedule, and the IT team will incorporate these tests to coincide with the biannual firmware upgrade schedule: December and July. Finally, the IT Director will distribute this plan to other Division managers and solicit their input for alternative processing. Division Directors will also be involved to identify communication plans and roles and responsibilities in a disaster situation for program staff within their respective Divisions. Those Division specific plans will be incorporated into this IT plan as staff have the time to devote to this effort.

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
Year Ended June 30, 2011**

11-01 Recording of Assets (Significant Deficiency and Non-Compliance)

Condition

During our testing of capital assets, we noted that the Regulation and Licensing Department had not included 14 items in their annual inventory as a result of lack of controls. The assets were placed in service between 2005 and 2010, a total book value of \$155,831. We also noted a case management system the Department had not capitalized in FY11 for \$117,937.

Criteria

Section 12-6-10 NMSA 1978 requires that "The governing authority of each agency shall, at the end of each fiscal year, conduct a physical inventory of movable chattels and equipment costing more than five thousand dollars (\$5,000) and under the control of the governing authority. This inventory shall include all movable chattels and equipment procured through the capital program fund under Section 15-3B-16 NMSA 1978, which are assigned to the agency designated by the director of the Property Control Division of the General Services Department as the user agency. The inventory shall list the chattels and equipment and the date and cost of acquisition. No agency shall be required to list any item costing five thousand dollars (\$5,000) or less. Upon completion, the inventory shall be certified by the governing authority as to correctness. Each agency shall maintain one copy in its files."

Cause

The Department did not collect all inventory reports from all divisions.

Effect

The Department is not in compliance with NMSA 1978 and capital assets were not completely tracked.

Recommendation

We recommend that the Department perform annual inventory counts of equipment for all divisions and reconcile the inventory to the capital asset detail in order to ensure capital assets are complete and accurate.

Management Response

In order to verify the accuracy of inventory, the Administrative Services Department (ASD) will be responsible for conducting a semiannual onsite physical inspection of all RLD offices and the Simms building, which houses some of the IT inventory. All purchase orders exceeding five thousand dollars (\$5,000) will be closely inspected by ASD to ensure it is purchased from the correct capital outlay account, if applicable.

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
Year Ended June 30, 2011**

11-02 Cash Receipts - Athletic Commission (Significant Deficiency)

Condition

During our cash receipts walkthrough testing, we noted a lack of controls prior to April 2011 related to the Athletic Commission cash receipts process. Additionally, we noted no supporting documentation related to cash receipts received prior to April 2011 and records are reportedly missing. The lack of controls and segregation of duties has subsequently been corrected by the new administration.

Criteria

Section 6-5-2 NMSA 1978 requires that "State agencies shall implement internal accounting controls designed to prevent accounting errors and violations of state and federal law and rules related to financial matters. In addition, state agencies shall implement controls to prevent the submission of processing documents to the division that contain errors or that are for a purpose not authorized by law." Additionally, Section 6-5-2 NMSA 1978 requires that "It is the duty of every public official or agency of this state that receives or disburses public money to maintain a cash record in which is entered daily, in detail, all items of receipts and disbursements of public money."

Cause

There was a lack of oversight and segregation of duties within the Athletic Commission; one person was responsible for receipts and oversaw all the related activity.

Effect

The Department is not in compliance with NMSA 1978. There is also an increased risk of fraud and misuse of public funds.

Recommendation

We recommend the Athletic Commission continue to monitor the implementation and documentation of controls over the cash receipts process and have more than one individual overseeing activity. The Commission should also retain documentation related to all cash received in order to support deposits made. ASD should also maintain proper oversight and perhaps perform ratio or other reasonableness testing over receipts to identify any risk areas.

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
Year Ended June 30, 2011**

**11-02 Cash Receipts - Athletic Commission (Significant Deficiency)
(Continued)**

Management Response

Prior to attending the fight, the Athletic Commission indicates on the fight card those who have a license and those who need to purchase a license. For those who need to purchase a license, an application is filled out and they are now issued a receipt for collection of payment. ASD will be responsible for ensuring that a monthly reconciliation of the fight cards, receipts for licenses purchased at the fight, applications, and deposit records is conducted to verify that they match the amount of deposits made.

The Athletic Commission has recently implemented the procedure of issuing a physical license to all licensees so that if the licensee does not receive a license we will be notified and can investigate the issue. They are going to mail out renewals in December of each year in an attempt to decrease the number of licenses purchased at the fight. The Commission is also working on a policy to promote obtaining a license prior to the fight, which will reduce the amount of collections made at the fight.

A proposal is being made to the Commission to only accept cashier's check or money order from applicants and eliminate the acceptance of cash.

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
Year Ended June 30, 2011**

**11-03 Acceptance of Gifts and Reporting of Fringe Benefits - Athletic
Commission (Non-Compliance)**

Condition

During our discussion with the client, we noted the Athletic Commission has not implemented adequate controls to ensure employees or commissioners are not accepting gifts with a market value greater than \$250 from a restricted donor. In one instance, we noted one individual that was allegedly gifted eight tickets to an event with a total market value of \$297.

Prior to June 30, 2011, we noted the Athletic Commission had not implemented any controls to ensure fringe benefits, such as tickets given to employees, were reported on the employees' W-2s. Commission members would be given several tickets to certain "high profile" events but were not monitored to ensure the amount of tickets were de minimis, or reported on W-2s.

Criteria

Section 10-16B-3 NMSA 1978 requires that "A state officer or employee or candidate for state office, or that person's family, shall not knowingly accept from a restricted donor, and a restricted donor shall not knowingly donate to a state officer or employee or candidate for state office, or that person's family, a gift of a market value greater than two hundred fifty dollars (\$250)."

Per the NM State Auditor Rule 2.2.2.10(H)(2)(a), "Employee fringe benefits are presumed by the IRS to be income to the employee unless they are specifically excluded from income by the tax code. Any employee fringe benefits not excluded from income by the tax code must be reported on the employee's W-2."

Cause

One person was responsible and oversaw all activity within the Athletic Commission and did not ensure state compliance. The Department and the Commission did not exercise proper oversight or track how many tickets were gifted for events.

Effect

The Department is not in compliance with NMSA 1978. Additionally, a person who violates the provisions of the Gift Act is guilty of a petty misdemeanor and upon conviction shall be sentenced in accordance with the provisions of Section 31-19-1 NMSA 1978. The Department is not in compliance with the State Auditor Rule or IRS code.

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
Year Ended June 30, 2011**

**11-03 Acceptance of Gifts and Reporting of Fringe Benefits - Athletic
Commission (Non-Compliance) (Continued)**

Recommendation

We recommend the Athletic Commission implement and document controls over fringe benefits and the distribution of tickets and monitor that all employees and commissioners are in compliance with the Gift Act.

Management Response

The Commission has adopted the policy that commissioners are only allowed two credentials (passes) per fight. No other tickets are to be accepted by the commissioners or employees. The Deputy Director has reviewed the Gift Act with employees to reiterate the necessity of compliance with the Act.

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
Year Ended June 30, 2011**

11-04 Conflicts of Interest - Securities Division (Significant Deficiency)

Condition

During our walkthrough with the Securities Division, we noted that prior to June 30, 2011, there were no controls implemented to prevent conflicts of interest between employees and contractors/grantees. One grant under investigation was funded by the Investor Protection Trust, which is a private trust comprised of SEC settlements with financial firms, as well as settlements collected by the individual States. It was noted there were no conflict of interest statements for individuals with responsibility for procurement of goods and services or any review in place to prevent conflicts of interest.

Criteria

Strong internal controls over procurement and disbursements require conflict of interest statements for individuals with responsibility for procurement of goods and services to be completed and reviewed for any possible conflicts, related parties and other biases; in order to protect the procurement process. Department Policy 100 (VII & VIII) regarding conflicts of interest was violated and perhaps constituted a violation of the Governmental Conduct Act.

Cause

The Department and the Division did not exercise proper oversight, controls, or tone at the top over this risk area.

Effect

Funds received through a grant from the Investor Protection Trust have been disbursed without conflict of interest statements or review in place. Without such control, it is difficult for the Department to be certain that the procurement process was performed without bias or without preferential treatment given to contractors. The lack of such control could jeopardize future funding and decrease the reliability of the bid process.

Recommendation

The Department should enact the use of conflict of interest statements for individuals with responsibility for procurement of goods and services. The conflict of interest statements should be reviewed by an individual(s) independent of the procurement process for possible conflicts and appropriate action should be taken to ensure the conflict and related individual are not part of that particular procurement(s). The Department should also communicate that any violation of the conflict of interest statements (failure to disclose, etc.) will not be tolerated.

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
Year Ended June 30, 2011**

**11-04 Conflicts of Interest - Securities Division (Significant Deficiency)
(Continued)**

Management Response

RLD Policy 100 speaks to the Personal and Professional Conduct prohibited by State law and policy and clearly spells out an employee's responsibility to avoid or report conflicts of interest. Since the revelations of malfeasance, the new management has clearly stated to all employees that there is zero tolerance for conflicts of interest and other misconduct. A number of reforms have been instituted to prevent similar activity in the future. All potential contractors of the Securities Division now undergo a criminal, financial, and conflict of interest background check. All Division employees involved with or overseeing existing contracts have had their backgrounds reviewed and all contracts have been examined to ensure legal and policy compliance. RLD Policy 100 VII and 100 VIII already require avoidance of and/or disclosure of all conflicts of interest to the Department. All RLD employees will be required to sign an acknowledgement of the understanding and compliance with the policy on an annual basis.

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
Year Ended June 30, 2011**

11-05 Lack of Oversight and Decentralization (Significant Deficiency)

Condition

During our testwork, we noted a lack of oversight by Department management of the various boards and divisions. There is no assurance that all activities are provided, or that existing policies are applied in a consistent or uniform manner throughout the Department. During investigations, it was noted that the Department had general problems related to the following:

- Supervisors failing to supervise their employees and to report acts of wrong doing, such as violations of policies and possible criminal activity.
- Employees enriching themselves or family/friends through their employment.
- Employees not being present for a full day's or week's work as scheduled, and still being compensated for the full day.
- Director failing to provide budget related information or documentation upon repeated requests from Commissioners.
- Unauthorized use of a state vehicle by an employee while not being scheduled to work.

Criteria

Per good accounting practices and guidance issued by DFA, Manual of Model Accounting Practices, it is important that a well communicated and consistent oversight program be maintained. Department Policy 100 (VII & VIII) regarding conflicts of interest was violated and perhaps constituted a violation of the Governmental Conduct Act. State vehicles were utilized for commuting contrary to Department Policy 2300 (VII)(A) and 2300(IX)(A).

Cause

The Department has multiple boards and divisions and relies on the Commissioners and Division Directors to oversee each area but had not exercised proper oversight and monitoring.

Effect

The lack of Department management procedures, oversight, and monitoring increases the risk of acts of wrong doing by employees and the risk of fraud or errors within the department.

Recommendation

We recommend the Department identify decentralization risks and then implement a consistent oversight program throughout the Department to address the risks.

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
Year Ended June 30, 2011**

**11-05 Lack of Oversight and Decentralization (Significant Deficiency)
(Continued)**

Management Response

All supervisors are required to report any misconduct and failure to do so will result in disciplinary action up to termination. RLD is updating the Department Policies to ensure that they are in line with the Governor's Code of Conduct and will maintain the signed acknowledgement from each employee. The vehicle policy will also be updated and once complete, each employee will be required to sign an acknowledgement that they have reviewed, understand, and will comply with the updated Department Policies. Any violation of the policies will result in disciplinary action.

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
Year Ended June 30, 2011**

11-06 Untimely Reversions (Significant Deficiency and Non-Compliance)

Condition

The Department did not revert \$1,075,545 in unassigned fund balance, related to fiscal years prior to 2011, from their general fund to the State General Fund by the required deadline.

Criteria

Section 6-5-10(A) NMSA 1978 requires all unreserved, undesignated fund balances in reverting funds as of June 30 to be reverted to the New Mexico State General Fund by September 30 and subsequently adjusted within 45 days of the completion of the annual audit.

Cause

The Department had not validated the amount to be transferred prior to the September 30 due date. The Department, therefore, did not proceed with transferring the reversion since the amount is based on actual amounts and not on estimates.

Effect

The Department is not in compliance with Section 6-5-10(A) NMSA 1978.

Recommendation

The Department should establish procedures, controls, and monitoring to ensure timely calculation and submission of reversions to the New Mexico State General Fund.

Management Response

The Department will establish procedures, controls and monitoring to ensure timely calculation and submission of reversions to the New Mexico State General Fund.

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
EXIT CONFERENCE
Year Ended June 30, 2011**

An exit conference was held on December 6, 2011. Attending were the following:

Representing the Department:

J. Dee Dennis, Jr.	Superintendent
Mary Kay Root	Deputy Superintendent
Larissa Byrd	ASD Director, CFO
Phillip Gonzales	ASD Financial Manager

Representing the Independent Auditor, Moss Adams LLP:

Audrey J. Jaramillo	Senior Manager
Molly Saiz	Supervisor

The financial statements were prepared with the assistance of Moss Adams LLP.