



HINKLE + LANDERS

Certified Public Accountants + Business Consultants

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

FINANCIAL STATEMENTS

For The Year Ended June 30, 2013

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
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**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
OFFICIAL ROSTER
For the Year Ended June 30, 2013**

Name	Title
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
Katherine Martinez	Director, Construction Industries Division and Manufactured Housing Division
Alan Wilson	Director, Securities Division
Cynthia Richards	Director, Financial Institutions Division
Jennifer Anderson	Director, Alcohol and Gaming Division



INDEPENDENT AUDITOR’S REPORT

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

Report on the Financial Statements

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 and the fiduciary funds of the State of New Mexico Regulation and Licensing Department (Department), as of and for the year ended June 30, 2013 and the related notes to the financial statements, which collectively comprise the Department’s basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the Department’s nonmajor governmental funds, fiduciary funds and the budgetary comparisons of all the nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2013, as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

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

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

evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinions on the Financial Statements

Management's methodology for recognizing revenue related to the collections of certain fees in its Government-Wide financial statements as well in its Governmental Funds and Agency Funds may not be in accordance with accounting principles generally accepted in the United States of America. The Department has historically applied a methodology where revenue recognition for licensing fees and other permits matches the licensing and permit period and thus the associated expenditures. The Department's ability to apply this methodology does not appear to be accurate enough recognize revenue consistent with the Department's policy.

The amount by which this issue may affect the unearned revenue, equity and revenue for the Department's Government-Wide financial statements, Governmental Funds and Agency Funds has not been determined.

Qualified Opinions

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on the Financial Statements" the 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, 2013, and the respective changes in financial position and the budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

In addition, except for the effects of the matter described in the "Basis for Qualified Opinion on the Financial Statements" 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 funds of the Department as of June 30, 2013, and the respective changes in financial position and the respective budgetary comparisons for the nonmajor funds.

Other Matters

Required Supplementary Information

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

procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the Department's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The "other supplemental information" as identified in the table of contents required and presented is for purposes of additional analysis and is not a required part of the basic financial statements.

The additional schedules listed as "other supplemental information" in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules listed in the table of contents as "other supplemental information" are fairly stated, in all material respects, in relation to the basic financial statements as a whole, except for the effects of the matter described in the "Basis for Qualified Opinion on the Financial Statements".

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2014 on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department's internal control over financial reporting and compliance.



Hinkle + Landers, PC
Albuquerque, NM
February 17, 2014

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
MANAGEMENT DISCUSSION AND ANALYSIS (Unaudited)
For the Year Ended June 30, 2013**

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, 2013. 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 Position 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, Securities Enforcement and Investor Education Fund, Board of Pharmacy, and Real Estate Commission.

The Statement of Net Position 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 Position 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, deferred outflows of resources, liabilities, deferred inflows of resources using accrual basis of accounting, which is similar to the accounting method 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.

These two statements report the Department's net position and its changes in net position. The net position, which is the difference between assets, deferred outflows of resources, liabilities, deferred inflows of resources, can be used as a one way to measure the Department's financial health or financial position. Over time, increases or decreases in the Department's net position is one indicator of whether its financial health is improving or deteriorating. Other nonfinancial factors must also be considered, 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 Position 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 of the Department's activities.

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
MANAGEMENT DISCUSSION AND ANALYSIS (Unaudited)
For the Year Ended June 30, 2013**

Fund Financial Statements

The fund financial statements provide detailed information about the General Fund, Securities Enforcement and Investor Education Fund, Mortgage Regulatory Fund, Dental Board Fund, Board of Pharmacy Fund, and Real Estate Commission Fund, 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 is an indicator of 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.

THE DEPARTMENT AS A WHOLE

The Department's net position increased by \$1,709,185 as shown below. Our analysis below focuses on the net position and changes in net position of the Department's governmental activities.

Statement of Net Position

	<u>June 30, 2013</u>	<u>June 30, 2012</u>
Governmental Activities		
Assets		
Current and other assets	\$ 27,269,632	23,747,166
Capital assets	250,706	553,316
Total Assets	<u>27,520,338</u>	<u>24,300,482</u>
Liabilities		
Current liabilities	10,480,117	8,533,377
Long-term liabilities	-	423,053
Total Liabilities	<u>10,480,117</u>	<u>8,956,430</u>
Net Position		
Net investment in capital assets	250,706	553,316
Unrestricted	16,789,515	14,790,736
Total Net Position	<u>\$ 17,040,221</u>	<u>15,344,052</u>

The Department realized an 11% increase in net position over fiscal year 2012. The majority of the increase was due to a one-time settlement fee collected by the Department of \$1,000,000 and that charges for services exceeded program expenses. Notable increases in liabilities include deferred revenue/unearned revenue and reversion payable to the State General Fund.

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
MANAGEMENT DISCUSSION AND ANALYSIS (Unaudited)
For the Year Ended June 30, 2013**

Statement of Activities

	<u>June 30, 2013</u>	<u>June 30, 2012</u>
Government Activities		
Operating grants and charges for services	\$ 10,173,971	11,165,246
General fund appropriations	12,802,900	12,590,100
Special appropriations	-	150,000
Net transfers (out) in	265,930	222,326
Reversions	(925,941)	(629,772)
Other	1,025,822	16,130
Total revenue	<u>23,342,682</u>	<u>23,514,030</u>
Program expense	<u>21,499,933</u>	<u>20,277,537</u>
Change in net assets	1,842,749	3,236,493
Net position, beginning of year	15,344,052	12,107,559
Restatement	(146,580)	-
Net position, end of year	<u>\$ 17,040,221</u>	<u>15,344,052</u>

The Department's total revenues decreased by 1% year over year as can be seen above. . The decrease in revenues is mostly due to the decrease in charges for services. The total program expense increased by \$1,222,396, or about 6%. Due mainly to personnel and other administrative costs.

THE DEPARTMENT'S FUNDS

Budgetary Highlights

Over the course of the year, the Regulation and Licensing Department adjusted the budget in accordance with the General Appropriation Act. Budget adjustments allowed fall into two categories: transfers between categories and budget increases of up to 5% in the special revenue funds. The Department's general fund appropriation increased less than .5% compared to the prior year per the latest Legislature allocation of appropriations.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2013, the Department had \$250,706 invested in capital assets, including vehicles and IT Equipment. This amount represents a net decrease of \$302,610, or 55% compared to last year.

The Department did not have any additions for the year and removed \$203,609 in system software and data processing equipment.

Long-Term Liabilities

The Department's obligations include accrued vacation pay and sick leave. They stayed constant to the prior year decreasing by an immaterial amount of \$2,964.

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
MANAGEMENT DISCUSSION AND ANALYSIS (Unaudited)
For the Year Ended June 30, 2013**

ECONOMIC FACTORS

The Department's budget is determined by an annual appropriation from the Legislature. In fiscal year 2013, the Department realized a budget increase of .5% of general fund appropriations. The Revenue Estimating Group, which is represented by the Department of Finance and Administration, the Department of Transportation, the Legislative Finance Committee, and the Taxation and Revenue Department, presented the updated December 2013 General Fund Consensus revenue outlook, a revision to the August 2013 report. The December 2012 forecast revised the FY13 total recurring revenue to a total of approximately \$6,000 million, which resulted in recurring revenue growth of 4% in FY2013. The total recurring revenue growth revision of \$400 million is predominantly due to stronger-than-expected oil and gas revenue. FY2013 total recurring revenue has been revised upward by \$60 million. The limited revenue increase is largely explained by expectations of a reduction in oil and gas related revenues related primarily to lower price forecasts for oil and natural gas production, modest growth in Gross Receipts Tax revenues, and sagging corporate income tax revenues based on a forecast of weak profits.

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.

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**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF NET POSITION-GOVERNMENT WIDE
As of June 30, 2013**

	Governmental Activities
Assets	
Current Assets	
Interest in State Treasurer General Fund Investment Pool	\$ 27,170,010
Petty cash	3,143
Accounts receivable	1,161
Prepaid postage	54,584
Due from other agency funds	-
Due from other state agencies	26,912
Due from federal government	-
Inventories	13,822
Total Current Assets	27,269,632
Noncurrent Assets	
Capital assets	869,369
Accumulated depreciation	(618,663)
Total Noncurrent Assets	250,706
Total Assets	\$ 27,520,338
Liabilities And Net Position	
Current Liabilities	
Accounts payable	321,936
Accrued payroll	434,632
Unearned revenue	7,734,500
Due to state general fund	1,149,835
Due to other state agencies	10,750
Other liabilities	45,281
Due to federal government	2,715
Current portion of compensated absences	780,468
Total Current Liabilities	10,480,117
Long-Term Liabilities	
Non-current portion of compensated absences	-
Total Long-Term liabilities	-
Total Liabilities	10,480,117
Net Position	
Net investment in capital assets	250,706
Unrestricted	16,789,515
Total Net Position	17,040,221
Total Net Position and Liabilities	\$ 27,520,338

See Notes To The Financial Statements

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF ACTIVITIES-GOVERNMENT WIDE
For the Year Ended June 30, 2013**

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges for Services</u>	<u>Operating Grants</u>	<u>Revenue and Changes in Net Position</u>
				<u>Governmental Activities</u>
Governmental Activities				
Construction Industries	\$ 7,356,492	331,681	10,661	(7,014,150)
Financial Institutions	1,859,691	2,097,169	-	237,478
Alcohol and Gaming	744,026	-	-	(744,026)
Pharmacy Program	1,454,263	1,420,310	-	(33,953)
Real Estate Commission	770,156	457,448	-	(312,708)
Securities Enforcement & Investors Education	1,466,710	650,056	-	(816,654)
Boards and Commissions	4,165,971	5,090,333	-	924,362
Program Support	3,682,623	6,246	110,067	(3,566,310)
Total Governmental Activities	<u>\$ 21,499,933</u>	<u>10,053,244</u>	<u>120,728</u>	<u>(11,325,962)</u>
General Revenues				
Transfer - General Fund appropriation				12,802,900
Transfers in				265,930
Transfer out				-
Reversion				(925,941)
Interest and investment earnings				25,822
Special Item: FID Settlement				1,000,000
Total General Revenues				<u>13,168,711</u>
Changes in Net Position				1,842,749
Net Position, Beginning				15,344,052
Restatement				(146,580)
Net Position, Ending				<u>\$ 17,040,221</u>

See Notes To The Financial Statements

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
BALANCE SHEET
GOVERNMENTAL FUNDS
As of June 30, 2013**

	Major Funds							
	4330	0440	1066	4470	4640	4670		
	General Fund	Securities Enforcement & Investor Education	Mortgage Regulatory Fund	Dental Board of Examiners	Pharmacy Board	Real Estate Commission	Non-Major Funds	Total Governmental Funds
Assets								
Interest in State Treasurer General Fund Investment Pool	\$ 1,625,337	2,663,615	3,073,527	1,069,822	2,735,786	1,463,791	14,538,132	27,170,010
Petty cash/other cash	2,495	-	-	-	500	100	48	3,143
Accounts receivable	727	175	-	-	-	-	259	1,161
Prepaid expense (postage, travel)	-	-	-	1,917	-	4,398	48,269	54,584
Due from other agency and gov't funds	-	-	-	-	-	-	-	-
Due from other state agencies	25,300	249	254	-	-	-	1,109	26,912
Inventories	-	-	-	-	-	-	13,822	13,822
Total Assets	\$ 1,653,859	2,664,039	3,073,781	1,071,739	2,736,286	1,468,289	14,601,639	27,269,632
Liabilities And Fund Balances								
Liabilities								
Accounts payable	\$ 171,314	42,310	1,028	4,519	31,333	1,225	70,206	321,935
Accrued payroll	299,655	4,927	10,411	4,190	30,908	12,300	72,241	434,632
Unearned revenues	-	-	-	1,077,401	1,770,577	1,602,225	3,284,297	7,734,500
Due to state general fund	1,144,840	-	-	-	2,724	51	2,220	1,149,835
Due to other state agencies	-	-	-	-	-	-	10,750	10,750
Due to other gov't funds	-	-	-	-	-	-	-	-
Other liabilities	50,151	-	-	152	(1,063)	(2,170)	(1,789)	45,281
Due to federal government	915	-	-	-	100	-	1,700	2,715
Total Liabilities	1,666,875	47,237	11,439	1,086,262	1,834,579	1,613,631	3,439,625	9,699,648
Fund Balances								
Nonspendable								
Prepaid expense (postage, travel)	-	-	-	1,917	-	4,398	48,269	54,584
Inventories	-	-	-	-	-	-	13,822	13,822
Restricted	-	2,616,802	3,062,342	(16,440)	901,707	(149,740)	11,099,923	17,514,594
Unassigned	(15,511)	-	-	-	-	-	-	(15,511)
Unassigned- cash on hand	2,495	-	-	-	-	-	-	2,495
Total Fund Balances	(13,016)	2,616,802	3,062,342	(14,523)	901,707	(145,342)	11,162,014	17,569,984
Total Liabilities and Fund Balances	\$ 1,653,859	2,664,039	3,073,781	1,071,739	2,736,286	1,468,289	14,601,639	27,269,632

See Notes To The Financial Statements

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
WITH THE STATEMENT OF NET POSITION
As of June 30, 2013**

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

Total Fund Balance - Governmental funds	\$	17,569,984
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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	\$	869,369
Accumulated Depreciation		<u>(618,663)</u>
Net Capital Assets		250,706

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

Rounding		(1)
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Compensated absences		<u>(780,468)</u>
Total Net Position - Governmental Activities	\$	<u><u>17,040,221</u></u>

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)
GOVERNMENTAL FUNDS
As of June 30, 2013**

	Major Funds						Total Governmental Funds	
	4330	0440	1066	4470	4640	4670		
	General Fund	Securities Enforce- ment & Investor Education	Mortgage Regulatory Fund	Board of Dental Examiners	Board of Pharmacy	Real Estate Commission		Non-Major Funds
Revenues								
License fees	\$ 113,475	644,275	907,900	192,732	1,373,385	324,550	4,313,002	7,869,319
Services	-	-	189,000	17,861	26,989	7,890	451,022	692,762
Publications	-	-	-	-	-	17,951	12,396	30,347
Federal sources	110,067	-	-	-	-	-	10,661	120,728
Interest on investments	-	6,040	5,818	-	-	-	13,964	25,822
Other revenues	85,329	4,900	212,600	32,578	19,936	96,237	1,221,835	1,673,415
Total Revenues	308,871	655,215	1,315,318	243,171	1,420,310	446,628	6,022,880	10,412,393
Expenditures								
Current								
Personal services & employee benefits	10,901,207	335,086	407,434	184,549	1,062,964	567,969	2,609,693	16,068,902
Contractual services	927,616	149,384	1,483	2,847	61,575	7,685	178,279	1,328,869
In-state travel	83,718	722	210	14,127	15,346	3,201	100,129	217,453
Maintenance and repairs	76,313	460	10	-	2,560	694	671	80,708
Supplies and materials	237,126	25,903	5,961	2,946	14,358	7,979	48,415	342,688
Operating costs	1,416,195	104,543	28,438	20,550	182,300	96,708	285,445	2,134,179
Other costs	99,936	1,706	575	7,038	8,777	6,314	59,368	183,714
Out-of-state travel	3,780	6,307	12,460	-	3,316	-	5,164	31,027
Capital outlay	179,482	12,968	-	-	7,307	8,377	20,821	228,955
Total Expenditures	13,925,373	637,079	456,571	232,057	1,358,503	698,927	3,307,985	20,616,495
Revenues over (under) expenditures	(13,616,502)	18,136	858,747	11,114	61,807	(252,299)	2,714,895	(10,204,102)
Other Financing Sources (Uses)								
Transfers in-interagency	265,930	-	-	-	-	-	-	265,930
Transfers in-interfund	1,246,248	-	-	-	-	-	25,000	1,271,248
Transfers out-interfund	-	(35,312)	(33,623)	(67,246)	(214,609)	(134,171)	(786,287)	(1,271,248)
General Fund appropriation	12,774,100	-	-	-	-	-	28,800	12,802,900
Reversions to state general fund	(925,941)	-	-	-	-	-	-	(925,941)
Total Financing Sources (Uses)	13,360,337	(35,312)	(33,623)	(67,246)	(214,609)	(134,171)	(732,487)	12,142,889
Net Change in Fund Balances	(256,165)	(17,176)	825,124	(56,132)	(152,802)	(386,470)	1,982,408	1,938,787
Fund balances, Beginning	186,120	2,633,978	2,237,218	41,609	1,054,509	241,128	9,179,606	15,574,168
Restatement	57,029	-	-	-	-	-	-	57,029
Fund balances, Beginning-restated	243,149	2,633,978	2,237,218	41,609	1,054,509	241,128	9,179,606	15,631,197
Fund balances, Ending	\$ (13,016)	2,616,802	3,062,342	(14,523)	901,707	(145,342)	11,162,014	17,569,984

See Notes To The 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
For the Year Ended June 30, 2013**

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

Net Change in Fund Balances - Governmental Funds \$ 1,938,787

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 financial position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.

Capital outlay additions	\$ -	
Depreciation expense	<u>(99,001)</u>	
Net Change Capital Assets		(99,001)

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 liability are recorded as a reduction or increase in the current personal services category.

Net Change Accrued Compensated Absences 2,964

Rounding (1)

Changes in Net Position - Governmental Activities \$ 1,842,749

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND - 4330
For the Year Ended June 30, 2013**

	Original Budget	Final Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
State general fund appropriation	\$ 12,774,100	12,774,100	12,774,100	-
Other licenses and permits	-	-	113,475	113,475
Federal funds	198,629	198,629	110,067	(88,562)
Other revenue	-	-	85,329	85,329
Other financing sources	<u>18,875,400</u>	<u>2,333,733</u>	<u>1,512,178</u>	<u>(821,555)</u>
Total Revenues	31,848,129	15,306,462	14,595,149	(711,313)
Cash Balance Budgeted	<u>1,368,826</u>	<u>1,368,826</u>		
Total	\$ 33,216,955	16,675,288		
Expenditures				
Personnel services and benefits	12,322,100	11,763,029	10,901,207	861,822
Contractual services	448,000	1,068,483	927,616	140,867
Other	1,879,400	2,474,950	2,112,061	362,889
Reversion	-	-	925,941	(925,941)
Total Expenditures	\$ 14,649,500	15,306,462	14,866,825	439,637
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)			<u>(271,676)</u>	
Net change in fund balance			\$ (271,676)	

Reconciliation of Budgetary Basis to Fund Financial Statement

Total budget basis expenditures for fiscal year 2013:	\$ 13,940,884
Adjustments:	
Amounts expensed in FY 13 financial statements and paid out of FY14 budget	(15,511)
Amounts expensed in FY12 financial statements and paid out of FY13 budget	-
Rounding	<u>-</u>
Total modified GAAP Basis Expenditures for the fiscal year ended June 30, 2013	<u><u>\$ 13,925,373</u></u>

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
SECURITIES ENFORCEMENT AND INVESTOR EDUCATION FUND - 0440
For the Year Ended June 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Interest on investments	\$ 4,000	4,000	6,040	2,040
Trades and professions licenses	681,000	681,000	644,275	(36,725)
Other penalty	-	-	4,900	4,900
Total Revenues	<u>685,000</u>	<u>685,000</u>	<u>655,215</u>	<u>(29,785)</u>
Cash balance budgeted	<u>2,735,339</u>	<u>2,735,339</u>		
Total	<u>\$ 3,420,339</u>	<u>3,420,339</u>		
Expenditures				
Personnel services and benefits	\$ 477,200	477,200	335,086	142,114
Contractual services	175,300	175,300	149,384	25,916
Other	168,500	168,500	152,609	15,891
Other financing uses	<u>43,900</u>	<u>43,900</u>	<u>35,312</u>	<u>8,588</u>
Total Expenditures	<u>\$ 864,900</u>	<u>864,900</u>	<u>672,391</u>	<u>192,509</u>
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)			<u>(17,176)</u>	
Net change in fund balance			<u>\$ (17,176)</u>	
Reconciliation of Budgetary Basis to Fund Financial Statement				
Total budget basis expenditures for fiscal year 2013:			\$ 672,391	
Adjustments:				
Amounts expensed in FY 13 financial statements and paid out of FY14 budget			-	
Amounts expensed in FY12 financial statements and paid out of FY13 budget			-	
Rounding			<u>-</u>	
Total modified GAAP Basis Expenditures for fiscal year ended June 30, 2013			<u>\$ 672,391</u>	

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
MORTGAGE REGULATORY FUND - 1066
For the Year Ended June 30, 2013**

	Original Budget	Final Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trade and professions licenses	\$ 236,000	236,000	907,900	671,900
Other registration fees	193,900	193,900	212,600	18,700
Other Exam Fees	102,600	102,600	189,000	86,400
Interest on investments	1,400	1,400	5,818	4,418
Other revenue	28,100	28,100	-	(28,100)
Total Revenues	562,000	562,000	1,315,318	753,318
Cash balance budgeted	2,240,903	2,240,903		
Total	\$ 2,802,903	2,802,903		
Expenditures				
Personnel services and benefits	408,700	434,500	407,434	27,066
Contractual services	1,200	31,900	1,483	30,417
Other	115,600	59,100	47,654	11,446
Other financing uses	41,800	41,800	33,623	8,177
Total Expenditures	567,300	567,300	490,194	77,106
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)			825,124	
Net change in fund balance			\$ 825,124	
Reconciliation of Budgetary Basis to Fund Financial Statement				
Total budget basis expenditures for fiscal year 2013:			\$ 490,194	
Adjustments:				
Amounts expensed in FY 13 financial statements and paid out of FY14 budget			-	
Amounts expensed in FY12 financial statements and paid out of FY13 budget			-	
Rounding			-	
Total GAAP Basis Expenditures for the fiscal year ended June 30, 2013:			\$ 490,194	

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
BOARD OF DENTAL EXAMINERS - 4470
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Trades and professions licenses	\$ 130,000	130,000	71,002	(58,998)
Registration for trades and prof. licenses	239,800	239,800	120,015	(119,785)
Trades and professions examination fees	500	500	1,715	1,215
Other current services	11,000	11,000	17,861	6,861
Other penalties	20,000	20,000	-	(20,000)
Miscellaneous revenue	-	-	32,578	32,578
Total Revenues	<u>401,300</u>	<u>401,300</u>	243,171	<u>(158,129)</u>
Cash balance budgeted	<u>857,206</u>	<u>857,206</u>		
Total	<u>\$ 1,258,506</u>	<u>1,258,506</u>		
Expenditures				
Personnel services and benefits	\$ 243,100	238,100	184,549	53,551
Contractual services	10,000	10,000	2,847	7,153
Other	64,600	69,600	44,661	24,939
Other financing uses	83,600	83,600	67,246	16,354
Total Expenditures	<u>\$ 401,300</u>	<u>401,300</u>	<u>299,303</u>	<u>101,997</u>
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)			\$ <u>(56,132)</u>	
Net change in fund balance			<u>(56,132)</u>	
Reconciliation of Budgetary Basis to Fund Financial Statement				
Total budget basis expenditures for fiscal year 2013:			\$ 299,303	
Adjustments:				
Amounts expensed in FY 13 financial statements and paid out of FY14 budget			-	
Amounts expensed in FY12 financial statements and paid out of FY13 budget			-	
Rounding			<u>-</u>	
Total GAAP Basis Expenditures for the fiscal year ended June 30, 2013:			<u>\$ 299,303</u>	

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
BOARD OF PHARMACY - 4640
For the Year Ended June 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Trades and professions licenses	\$ 200,000	200,000	200,000	-
Registration for trades and prof. licenses	1,196,600	1,196,600	1,173,385	(23,215)
Trades and professions examination fees	500	500	-	(500)
Other current services	30,000	30,000	26,989	(3,011)
Other publications	2,500	2,500	-	(2,500)
Court fines and forfeitures	10,000	10,000	-	(10,000)
Other penalties	9,000	9,000	-	(9,000)
Miscellaneous revenue	-	-	19,936	19,936
Total Revenues	<u>1,448,600</u>	<u>1,448,600</u>	1,420,310	<u>(28,290)</u>
Cash balance budgeted	<u>2,483,713</u>	<u>2,483,713</u>		
Total	3,932,313	3,932,313		
Expenditures				
Personnel services and benefits	1,284,200	1,254,500	1,062,964	191,536
Contractual services	73,100	73,100	61,575	11,525
Other	230,700	260,400	233,964	26,436
Other financing uses	<u>266,800</u>	<u>266,800</u>	<u>214,609</u>	<u>52,191</u>
Total Expenditures	<u>1,854,800</u>	<u>1,854,800</u>	<u>1,573,112</u>	<u>281,688</u>
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)			<u>(152,802)</u>	
Net change in fund balance			<u>\$ (152,802)</u>	
Reconciliation of Budgetary Basis to Fund Financial Statement				
Total budget basis expenditures for fiscal year 2013:			\$ 1,573,112	
Adjustments:				
Amounts expensed in FY 13 financial statements and paid out of FY14 budget			(2,211)	
Amounts expensed in FY12 financial statements and paid out of FY13 budget			-	
Rounding			<u>-</u>	
Total modified GAAP Basis Expenditures for fiscal year ended June 30, 2013			<u>\$ 1,570,901</u>	

See Notes To The Financial Statements

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
REAL ESTATE COMMISSION - 4670
For the Year Ended June 30, 2013**

	Original Budget	Final Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 123,400	123,400	49,570	(73,830)
Registration for trades and prof. licenses	539,300	539,300	243,700	(295,600)
Other registration fees	47,500	47,500	31,280	(16,220)
Trades and professions examination fees	2,300	2,300	-	(2,300)
Other current services	-	-	7,890	7,890
Manuals and codes	12,000	12,000	-	(12,000)
Other publications	-	-	17,951	17,951
Other penalties	79,500	79,500	-	(79,500)
Miscellaneous revenue	-	-	96,236	96,236
Total Revenues	804,000	804,000	446,627	(357,373)
Cash balance budgeted	1,353,067	1,353,067		
Total	\$ 2,157,067	2,157,067		
Expenditures				
Personnel services and benefits	\$ 569,700	572,896	567,969	4,927
Contractual services	8,000	8,000	7,685	315
Other	108,900	137,200	123,801	13,399
Other financing uses	166,800	166,800	134,171	32,629
Total Expenditures	\$ 884,896	884,896	833,626	51,270
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)			(386,999)	
Net change in fund balance			\$ (386,999)	
Reconciliation of Budgetary Basis to Fund Financial Statement				
Total budget basis expenditures for fiscal year 2013:			\$ 833,626	
Adjustments:				
Amounts expensed in FY 13 financial statements and paid out of FY14 budget			(528)	
Amounts expensed in FY12 financial statements and paid out of FY13 budget			-	
Rounding			-	
			-	
Total modified GAAP Basis Expenditures for fiscal year ended June 30, 2013			\$ 833,098	

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS
As of June 30, 2013**

		<u>Agency Funds</u>
Assets		
Interest in State Treasurer General Fund Investment Pool	\$	2,195,431
Due from Other State Agencies		-
Total Assets	\$	<u>2,195,431</u>
Liabilities		
Accounts Payable	\$	5,222
Due to Other Funds		-
Other Liabilities		1,619,831
Due to State General Fund		<u>570,378</u>
Total Liabilities	\$	<u>2,195,431</u>

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2013**

NOTE 1. ORGANIZATION AND FUNCTION

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, 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.

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2013**

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)

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 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 Securities Division

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 Alcohol and Gaming Division

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.

Note 2.—Summary of Significant Accounting Policies

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 and 61.

The Department does not have any component units.

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2013**

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 Position, 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 obligations. Interfund balances and activity has been eliminated in the government-wide statements. A deficit (negative) balance in unrestricted net position 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.

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 (NMSA 58-13C-601), Board of Mortgage Regulatory (NMSA 9-6-15, Dental Board, (NMSA 61-5A-26) Pharmacy (NMSA 61-11-9), and Real Estate Commission (NMSA 61-29-8).

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. 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 Financial Statements

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, deferred outflows of resources, liabilities, deferred inflows of resources 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:

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2013**

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:

General Fund (4330)—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.

In addition, the FID Revolving is 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 major governmental funds:

General Fund (4330)

See above description

Securities Enforcement & Investor Education (0440)

Established by the Legislature in 1989 for the “education and training of New Mexico residents concerning securities laws and investment issues.” To fulfill that mandate, the Division Investor Education Program conducts a coordinated community outreach effort designed to reach as many New Mexicans as possible through a

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2013**

variety of communications channels. In 2009, the Legislature broadened the purpose of the fund to include support of Division Enforcement activity as well.

Mortgage Regulatory Fund (1066)

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 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.

Dental Board of Examiners (4470)

To account for the administration of the Board established by New Mexico statute. The board's revenue is restricted to the board's activity and administration.

Board of Pharmacy (4640)

To account for the administration of the Board established by New Mexico statute. The board's revenue is restricted to the board's activity and administration.

Real Estate Commission (4670)

To account for the administration of the Board established by New Mexico statute. The board's revenue is restricted to the board's activity and administration.

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 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.

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Budgets and Budgetary Accounting.

The Department prepares budgets for its governmental funds, which are subject to approval by the New Mexico Department of Finance and Administration (DFA), based upon the appropriations made by the State Legislature. Budgets are controlled at the appropriation unit level (personal services, employee benefits, etc.), and amendments affecting a category are approved by DFA and the Legislative Finance Committee (LFC). Expenditures may not exceed appropriations at this level.

Basis of Presentation—Fund Accounting

The unexpended balances of the State General Fund appropriation to the Department are to be reverted to the State General Fund at the end of each fiscal year. The Department also receives funding from various special and supplemental appropriations. The language of a particular appropriation determines when it lapses and whether or not unexpended balances revert to the State General Fund.

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

1. The Department submits a proposed budget to the New Mexico state legislature for the fiscal year commencing the following July 1. The state legislature must approve the budget prior to the legal enactment.
2. The expenditures and encumbrances of each appropriation unit may not legally exceed the budget for that category. Budgets are controlled at the “appropriation unit” level within activities (personal services and benefits, contractual services, etc.).
3. Any adjustment to the budget must be submitted to and approved by the State of New Mexico Department of Finance and Administration State Budget Division in the form of a budget adjustment request.
4. Beginning in FY 2006, the annual budget, per the General Appropriations Act, Laws of 2006, Chapter 109, Section 3, Subsections N and O, was adopted on a modified accrual basis of accounting except for accounts payable accrued at the end of the fiscal year that do not get paid by the statutory deadline (Section 6-10-4 NMSA 1978) must be paid out of the next year’s budget. The modified accrual basis of accounting is consistent with generally accepted accounting principles (GAAP). Budgeted revenues may be less than budgeted expenditures as the ending fund balance may, in certain instances, be re-budgeted for expenditures in the next fiscal year. Budgetary comparisons presented in the financial statements are on a modified accrual basis of accounting.

The Department has been designated as a “reverting agency” by the New Mexico state legislature and, therefore, pursuant to the Laws of 2004, Chapter 114, Section 2(E), “unencumbered balances in agency accounts remaining at the end of the fiscal year 2013 shall revert to the [state] general fund by September 30, 2013, unless otherwise indicated in the General Appropriations Act of 2004 or otherwise provided by law.”

5. The budget for the General Fund and Special Revenue Funds are adopted on the modified accrual basis of accounting except for accounts payable accrued at the end of fiscal year that do not get paid by 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

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will be necessary if all accounts payable at the end of the fiscal year are not paid by the statutory deadline.

Financial Statement Amounts

1—Prepaid Postage

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.

2—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.

3—Receivables

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

4—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, with the exception of amounts due from/to the governmental funds and the agency funds. These amounts are not eliminated in the government with financial statements.

5—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.

6—Capital Assets

Property 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

7—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 into the beginning of a calendar leave year and any excess is lost.

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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.

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

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.

8—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 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, 2013, follows:

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.

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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.

Reservations and Designations

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.

Assigned—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. The Department has no assigned-committed for multi-year appropriations balance.

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.

9—Net Position.

The government-wide financial statements utilize a net position presentation. Net position is categorized in three parts—net investment in capital assets, restricted net position and unrestricted net position. Net Investment in Capital Assets is intended to reflect the portion of net position which is associated with non-liquid, capital assets less outstanding capital asset related debt. There is no amount of net position that is restricted. The unrestricted net position is comprised of non-revertible equity related to the board, commissions and programs and may be offset by liabilities related to debt such as compensated absences and other liabilities.

10—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.

11—Deferred Revenue/Unearned Revenue

Amounts received prior to the time they are considered available to pay current liabilities are recorded as deferred revenue or unearned revenue and recognized as revenue using the modified accrual basis of accounting. Such revenue sources include collections received by

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various boards for licenses and permits prior to their effective issuance as of the end of the fiscal year.

12—Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position/fund balance that applies to a future period and so will not be recognized as an expense or expenditure until then. In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position/fund balance that applies to a future period and so will not be recognized until then. The Department did not have any deferred outflows or inflows of resources for the year ended June 30, 2013. Resources received in advance of an exchange transaction are not considered a deferred inflow of resources but rather are recorded as unearned revenue.

13—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 non-routine 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.

14—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 GENERAL FUND INVESTMENT POOL

The General Fund Investment Pool is the State of New Mexico's main operating account. State revenues such as income taxes, sales taxes, rents and royalties, and other recurring revenues are credited to the General Fund Investment Pool. The fund also comprises numerous State agency accounts whose assets, by statute (Section 8-6-3 NMSA 1978), must be held at the State Treasury. As of June 30, 2013, the General Fund Investment Pool has not been reconciled at the business unit/fund level. Essentially, independent third-party verification/confirmation of the Department's balances at the business unit/fund level is not possible. Reconciliation of the SGFIP is the responsibility of the Department Finance and Administration.

Under the direction of the State Controller/Financial Control Division Director, the Financial Control Division of the New Mexico Department of Finance & Administration (DFA/FCD) is taking action to resolve this problem. The management of the Department believes it has adequate controls in place to insure that these balances are materially accurate.

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

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Office.

Investment balances at June 30, 2013, consisted of the following:

Deposits with State Treasurer-governmental activities	\$	27,170,012
Deposits with State Treasurer-fiduciary balances		<u>2,195,431</u>
Total balance	\$	<u><u>29,365,443</u></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 \$250,000 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 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, 2013, is presented in the financial statements as other supplementary information.

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

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

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

Note 4—DUE TO AND DUE FROM OTHER FUNDS

Due to and due from 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. No amounts were due to/due from other Department funds during the year ended June 30, 2013. If there were amounts they would have been eliminated on the government-wide statements except for the amounts due to/due from between the governmental funds and the agency funds.

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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, 2013 consist of the following:

RLD Fund No.	Agency	Other Agency's No.	Amount
440	Securities Enforcement and Investor Education	39400	\$ 249
1066	Mortgage Regulatory Fund	39400	254
2011	Signed Language Interpreting	39400	28
2012	Animal Shelter Services	39400	24
2110	Hoisting Operators	39400	12
2970	Real Estate Recovery	39400	25
4330	General Fund	80500	25,300
4390	Board of Cosmetologists and Barbers	39400	50
4440	Counselors and Therapy Practice	39400	591
4450	Real Estate Education	39400	9
4550	Physical Therapy	39400	71
4560	Thanatopractice	39400	26
4590	Private Investigators and Polygraph	39400	27
4650	Real Estate Appraisers	39400	41
4660	Public Accountancy	39400	54
4690	Social Workers	39400	49
4710	Acupuncture	39400	32
4730	Speech Language and Audiology	39400	45
4750	Athletic Trainers	39400	25
Total			\$ 26,912

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NOTE 6—CAPITAL ASSETS

The capital asset activity for the year ended June 30, 2013 is as follows:

Governmental Activities	2012	Additions	Adjustments	2013
Capital assets not being depreciated:				
System Software	\$ 59,920	-	(59,920)	-
Total	59,920	-	(59,920)	-
Capital assets being depreciated:				
Machinery & equipment	267,090	-	-	267,090
Data processing equipment	567,710	-	(146,124)	421,586
Automotive	180,693	-	-	180,693
Total capital assets being depreciated	<u>1,015,493</u>	<u>-</u>	<u>(146,124)</u>	<u>869,369</u>
Total capital assets	<u>1,075,413</u>	<u>-</u>	<u>(206,044)</u>	<u>869,369</u>
Less accumulated depreciation:				
Machinery & equipment	(169,152)	(33,481)	-	(202,633)
Data processing equipment	(191,263)	(55,901)	2,435	(244,729)
Automotive	(161,682)	(9,619)	-	(171,301)
Total accumulated depreciation	<u>(522,097)</u>	<u>(99,001)</u>	<u>2,435</u>	<u>(618,663)</u>
Total capital assets net of depreciation	<u>\$ 553,316</u>	<u>(99,001)</u>	<u>(203,609)</u>	<u>250,706</u>

The Department does not have any debt related to capital assets as of June 30, 2013. Depreciation expense for the agency amounted to \$99,001 and is all related to the General Government function in the government wide statement of activities. Capital assets were adjusted per certified inventory of assets. See the restatement note for the effect on net position of the government-wide financial statements.

Note 7—COMPENSATED ABSENCES

	2012	Additions	Deletions	2013	Amount due within one year
Compensated Absences	\$ <u>783,432</u>	<u>856,408</u>	<u>(859,372)</u>	<u>780,468</u>	<u>780,468</u>

Management estimates that \$780,468 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.

Note 8—AMOUNTS DUE TO STATE GENERAL FUND INCLUDING 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 amounts due to

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the State General Fund. This includes the current year reversion amount along with the balance due to the State General Fund at year end as well as amounts that represent stale-dated funds that are due back to the State General Fund.

<u>Governmental Fund Description</u>	<u>Fund</u>	<u>Reversion</u>	<u>Balance Due State General Fund</u>
General Fund	4330	\$ <u>925,941</u>	<u>1,138,586</u>
Hoisting Operators	2110		5
General Fund	4330		6,254
Board of Cosmetologists & Barbers	4390		190
Psychologist Examiners	4540		95
Private Investigators & Polygraph	4590		1,000
Pharmacy Board	4640		2,724
Board of Accountancy	4660		275
Real Estate Commission	4670		51
Respiratory Care Advisory	4740		366
Naprapathy	5350		289
Total Stale Dated Funds-Due to SGF			<u>11,249</u>
Total Due to State General Fund			\$ <u>1,149,835</u>

<u>Agency Fund Description</u>	<u>Fund</u>		<u>Balance Due State General Fund</u>
FID Receipts	4350	\$	13,816
MHD Receipts	4360		13,760
CID Receipts	4370		134,304
SEC Receipts	4380		348,740
Alcohol and Gaming Receipts	8080		59,758
		\$	<u>570,378</u>

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Note 9—INTER-FUND TRANSFERS

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

<u>Fund Description</u>	<u>Fund</u>	<u>In</u>	<u>Out</u>
General Fund	4330	\$ 1,246,248	-
Securities Enforcement and Investor Education	0440	-	35,312
Mortgage Regulatory Fund	1066	-	33,623
Sign Language Interpreting	2011	25,000	17,941
Animal Shelter Services	2012	-	15,846
Board of Cosmetologists & Barbers	4390	-	173,264
Athletic Commission	4410	-	15,927
Massage Therapists	4420	-	46,252
Counselors & Therapists	4440	-	70,866
Chiropractic Examiners	4460	-	22,201
Board of Dental Examiners	4470	-	67,246
Nutrition and Dietetics	4480	-	6,194
Nursing Home Administration	4490	-	6,194
Occupational Therapy	4500	-	12,709
Optometry	4510	-	9,492
Osteopathic Examiners	4520	-	12,790
Podiatry	4530	-	4,263
Psychologist Examiners	4540	-	26,384
Physical Therapist	4550	-	20,270
Thanatopractice	4560	-	19,225
Interior Design	4570	-	3,137
Private Investigators & Polygraph	4590	-	61,696
Landscape Architects	4600	-	4,665
Board of Pharmacy	4640	-	214,609
Real Estate Appraisers	4650	-	29,440
Board of Accountancy	4660	-	66,442
	4670	-	134,171
Social Workers	4690	-	57,916
Acupuncture	4710	-	31,612
HUD Manufactured Housing	4720	-	10,618
Speech Language & Audio	4730	-	26,384
Respiratory Care Advisory	4740	-	11,261
Athletic Trainers	4750	-	3,298
		<u>\$ 1,271,248</u>	<u>1,271,248</u>

Note 10—TRANSFERS FROM/TO OTHER AGENCIES

Transfers from other state agencies for the year ended June 30, 2013 are routine in nature and are consistent with the activities of the fund making the transfer. The transfer to the New Mexico Medical Board is the result of legislation transferring oversight of the Naprapathy practice from the Regulation and Licensing Department to the New Mexico Medical Board.

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Transfer From Other State Agencies

Fund Description	Fund	In	Out
General Fund	4330 \$	265,930	-
Public School Facility Authority	9430	-	265,930
	\$	<u>265,930</u>	<u>265,930</u>

Note 11—PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

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, 2013, 2012 and 2011 were \$1,645,697, \$1,477,439 and \$1,720,956, respectively, which equal to the amount of the required contribution for each fiscal year.

Note 12—POST-EMPLOYMENT BENEFITS-STATE RETIREE HEALTHCARE PLAN

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

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

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

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Funding Policy

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. . In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The Department's contributions to the RHCA for the years ended June 30, 2013, 2012 and 2011 were \$218,280, \$201,504 and \$188,216, respectively, which equal the required contributions for each year.

Note 13—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.

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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 2013-2012 fiscal year, the Department paid Risk Management \$483,970 in insurance premiums. In the fiscal year 2012-2011 the Department paid Risk Management \$468,003. The Department's exposure is limited to \$1,000 per any first-party incurred property loss, with the exception of theft, which has a \$5,000 deductible. After conferring with legal counsel concerning pending litigation and claims, the Department believes that the outcome of pending litigation should not have a materially adverse effect on the financial position or operations of the Department. In addition, for the years ended June 30, 2011, 2012 and 2013 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 14—DEFICIT FUND BALANCE

The following funds had deficit fund balances at June 30, 2013:

<u>Fund Type</u>	<u>Fund Name</u>	<u>Fund</u>	<u>Amount</u>
Special Revenue	Board of Dental Examiners	4670	\$ (14,523)
Special Revenue	Real Estate Commission	4470	\$ (145,342)
General	General Fund	4330	\$ (13,016)

Management anticipates future resources, in excess of anticipated expenditures, to eliminate negative balances.

For the general fund specifically, the deficit is related to the accounts payable paid out of fiscal year 2014 instead of fiscal year 2013. This caused a deficit of \$15,511 less unassigned cash on hand on of \$2,495.

Note 15—OPERATING LEASE AGREEMENTS

Building Leases

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 has not entered into any new building leases to date. Rent expense under these building leases totaled \$387,848 for the year ended June 30, 2013 .

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The Department is obligated under these leases as follows:

For The Year Ended June 30	Building Leases
2014	\$ 54,296
2015	54,928
2016	26,166
2017	26,796
2018	27,427
Total \$	<u><u>189,613</u></u>

Equipment Leases

The Department also leases equipment under operating lease agreements that range in term from 36 to 48 month leases. Rent expense under these equipment leases totaled \$33,772 for the year ended June 30, 2013. The Department is obligated under these leases as follows:

For The Year Ended June 30	Equipment Leases
2014	\$ 33,462
2015	35,592
2016	35,592
2017	34,314
2018	21,568
Total \$	<u><u>160,528</u></u>

Note 16—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 \$16,477 and \$18,545 during the years ended June 30, 2013 and 2012, respectively.

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.

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Note 17—GENERAL FUND INVESTMENT POOL NOT RECONCILED

In June 2012 an independent diagnostic report revealed that the State of New Mexico's General Fund Investment Pool has not been reconciled since the implementation of the Statewide Human resources, Accounting, and management REporting system (SHARE) in July of 2006. The Department of Finance and Administration (DFA) has commissioned two reports that address statewide cash reconciliation issues. They are (1) *Current State of Diagnostic of Cash Controls*, dated June 20, 2012 prepared by Deloitte Consulting, LLP and (2) *Cash Management Plan and Business Processes*, dated October 11, 2012, also prepared by Deloitte Consulting, LLP. The Diagnostic reports are available in the Resources section of the Cash Control page of the NM DFA's website : nmdfa.state.nm.us/Cash_Control.aspx.

DFA has commenced the Cash Management Remediation Project (Remediation Project) in partnership with the New Mexico State Treasurer's Office, the New Mexico Department of Information Technology, and a contracted third party PeopleSoft Treasury expert. The purpose of the Remediation Project is to design and implement the changes necessary to reconcile the General Fund Investment Pool in a manner that is complete, accurate, and timely. The Remediation Project will make changes to the State's current SHARE system configuration, cash accounting policies and procedures, business practices, and banking structure. The scheduled implementation date for the changes associated with the Remediation Project is February 1, 2013. An approach and plan to address the population of historical reconciling items will be developed during the Remediation Project, but a separate initiative will be undertaken to resolve the historical reconciling items.

Per the directive issued by the Office of the State Auditor on October 31, 2012, a note disclosure relating to this issue is required for all State of New Mexico state agencies for financial statements issued for fiscal year ended June 30, 2013.

That directive instructed agencies to do the following:

1. Explain to the agency's IPA what policies and procedures the agency has in place to ensure that the agency's cash balances in SHARE are correct; and
2. Disclose to the IPA any communications with DFA Cash Control Bureau regarding monthly cash reconciliation issues including unreconciled items, errors and corrections submitted; and
3. Disclose in the agency notes to the financial statements the facts about the statewide cash reconciliation at the end of the fiscal year, and what the agency's policies and procedures were during the fiscal year ended 2013 to mitigate the risk that the agency's cash balances would be misstated as of June 30, 2013.

The Agency was unable to provide copies of the referenced diagnostic reports to the IPA and the Department does not perform timely reconciliation amounts held at the State Treasury Office (STO) Please see finding referenced as 13-07 in the Findings and Responses section of this report.

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For the Year Ended June 30, 2013**

Note 18—RESTATEMENT OF FUND BALANCE/NET POSITION

Beginning fund balance/net position was restated as follows:

<u>Description</u>	<u>Reason</u>	<u>Amount</u>
Government-Wide Statements	An adjustment was necessary to adjust capital assets to proper balance per based on certified inventory	\$ (203,609)
General Fund (4330)	Adjustment for prior year overstatement of accounts payable.	\$ 57,029

Fund Balance beginning balance is as follows:

<u>Governmental Funds</u>	<u>Amount</u>
Fund balances, Beginning	\$ 186,120
Restatement	57,029
Fund balances, Beginning-restated	<u>\$ 243,149</u>

Net position beginning balance is as follows:

<u>Government-Wide Financials</u>	<u>Amount</u>
Net position, beginning	\$ 15,344,052
Restatements as noted above	(146,580)
Net position, beginning-restated	<u>\$ 15,197,472</u>

NOTE 19—SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date but before the financial statements are issued. The Department recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing the financial statements. The Department's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the balance sheet but arose after the balance sheet date and before financial statements are available to be issued. The Department has evaluated subsequent events through February 17, 2014, which is the date the financial statements were available to be issued.

**STATE OF NEW MEXICO
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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 Division (CID) 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 Division (FID) 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).

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).

FID Settlement Fund

Note, there is no budget for the FID Settlement Fund, because the settlement was not budgeted. This fund is specifically utilized to hold a settlement received by the Department.

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NONMAJOR FUNDS
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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, 2013.

<u>NMSA Board</u>	<u>SHARE Funding Authority</u>	<u>Fund Number</u>
Real Estate Recovery	61-29-21	2970
Financial Institutions Revolving Fund	60-13-8.1	3720
CID Revolving Fund	60-13-8.1	3730
Barbers and Cosmetologists	61-17A-14	4390
Athletic Commission	60-2A-24	4410
Massage Therapist	61-12C-23	4420
Counselors and Therapists	61-9A-25	4440
Real Estate Education and Training	61-29-19.1	4450
Chiropractic Examiners	61-4-7	4460
Nutrition and Dietetics	61-7A-12	4480
Nursing Home Administrators	61-13-12	4490
Occupational Therapy	61-12A-20	4500
Optometry	61-2-7	4510
Osteopathic Examiners	61-10-6	4520
Podiatry	61-8-7	4530
Psychologist Examiners	61-9-5	4540
Physical Therapists	61-12D-6	4550
Thanatopractice	61-32-26	4560
Interior Design	61-24C-16	4570
Private Investigators and Polygraphers	61-27B-30	4590
Landscape Architects	61-24B-14	4600
Real Estate Appraisers	61-30-18	4650
Accountancy	61-28B-6	4660
Social Workers	61-31-16	4690
Acupuncture	61-14A-18	4710
HUD Manufactured Housing	60-14-1	4720
Speech, Language and Audio	61-14B-24	4730
Respiratory Care Advisory	61-12B-13	4740
Athletic Trainers	61-14D-18	4750
Naprapathy	61-12E-13	5350
Carnival Ride Insurance	57-25-3	6430
Impaired Dentists Hygienists	61-5B-11	8760
Hoisting Operators	60-15-1 to 15	2110
Sign Language Interpreting Services	61-34-13	2011
Animal Shelter Services	77-1B-4	2012
ARRA Fund	ARRA Grant	8900

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	Special Revenue Funds				
	1155 FID Settlement Fund	2970 Real Estate Recovery	3720 FID Revolving	3730 CID Revolving	4390 Board of Cosmetologists & Barbers
Assets					
Interest in State Treasurer General Fund Investment Pool	\$ 1,000,000	292,134	-	138,235	2,436,569
Petty cash	-	-	-	-	-
Accounts receivable	-	-	200	-	-
Prepaid postage	-	-	-	-	1,776
Due from other funds	-	-	-	-	-
Due from other state agencies	-	25	-	-	50
Due from federal government	-	-	-	-	-
Inventories	-	-	-	13,822	-
Total Assets	\$ 1,000,000	292,159	200	152,057	2,438,395
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ -	-	-	-	26,390
Accrued payroll	-	-	-	-	14,890
Unearned revenues	-	-	-	-	59,877
Due to state general fund	-	-	-	-	190
Due to other state agencies	-	-	-	-	-
Due to other funds	-	-	-	-	-
Other liabilities	-	-	-	-	(396)
Due to federal government	-	-	-	-	-
Total Liabilities	-	-	-	-	100,951
Fund Balances					
Nonspendable:					
Prepaid postage	-	-	-	-	1,776
Inventory	-	-	-	13,822	-
Restricted	1,000,000	292,159	200	138,235	2,335,668
Unassigned	-	-	-	-	-
Total Fund Balances	1,000,000	292,159	200	152,057	2,337,444
Total Liabilities and Fund Balances	\$ 1,000,000	292,159	200	152,057	2,438,395

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	Special Revenue Funds			
	4410	4420	4440	4450
	Athletic Commission	Massage Therapists	Counselors & Therapists	Real Estate Education and Training
Assets				
Interest in State Treasurer General Fund Investment Pool	\$ 302,320	437,608	861,183	110,875
Petty cash	-	-	-	-
Accounts receivable	-	-	-	-
Prepaid postage	618	2,311	15,409	-
Due from other funds	-	-	-	-
Due from other state agencies	-	-	591	9
Due from federal government	-	-	-	-
Inventories	-	-	-	-
Total Assets	\$ 302,938	439,919	877,183	\$ 110,884
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 4,537	5,054	299	\$ -
Accrued payroll	1,434	4,678	7,430	-
Unearned revenues	8	66,089	286,890	-
Due to state general fund	-	-	-	-
Due to other state agencies	-	-	-	-
Due to other funds	-	-	-	-
Other liabilities	(250)	(75)	(106)	-
Due to federal government	-	-	-	-
Total Liabilities	5,729	75,746	294,513	-
Fund Balances				
Nonspendable:				
Prepaid postage	618	2,311	15,409	-
Inventory	-	-	-	-
Restricted	296,591	361,862	567,261	110,884
Unassigned	-	-	-	-
Total Fund Balances	297,209	364,173	582,670	110,884
Total Liabilities and Fund Balances	\$ 302,938	439,919	877,183	\$ 110,884

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	Special Revenue Funds			
	4460	4480	4490	4500
	Chiropractic Examiners	Nutrition and Dietetics	Nursing Home Administration	Occupational Therapy
Assets				
Interest in State Treasurer General Fund Investment Pool	\$ 694,289	141,327	102,967	421,158
Petty cash	-	-	-	-
Accounts receivable	-	59	-	-
Prepaid postage	1,713	1,282	197	309
Due from other funds	-	-	-	-
Due from other state agencies	-	-	-	-
Due from federal government	-	-	-	-
Inventories	-	-	-	-
Total Assets	\$ 696,002	142,668	\$ 103,164	421,467
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 1,738	40	-	175
Accrued payroll	3,182	397	826	853
Unearned revenues	179,699	19,913	31,735	47,871
Due to state general fund	-	-	-	-
Due to other state agencies	-	-	-	-
Due to other funds	-	-	-	-
Other liabilities	469	-	-	-
Due to federal government	-	-	-	-
Total Liabilities	185,088	20,350	32,561	48,899
Fund Balances				
Nonspendable:				
Prepaid postage	1,713	1,282	197	309
Inventory	-	-	-	-
Restricted	509,201	121,036	70,406	372,259
Unassigned	-	-	-	-
Total Fund Balances	510,914	122,318	70,603	372,568
Total Liabilities and Fund Balances	\$ 696,002	142,668	\$ 103,164	421,467

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	Special Revenue Funds				
	4510	4520	4530	4540	4550
	Optometry	Osteopathic Examiners	Podiatry	Psychologist Examiners	Physical Therapist
Assets					
Interest in State Treasurer General Fund Investment Pool	\$ 334,957	617,204	142,786	576,331	855,033
Petty cash	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Prepaid postage	1,200	58	1,775	768	4,353
Due from other funds	-	-	-	-	-
Due from other state agencies	-	-	-	-	71
Due from federal government	-	-	-	-	-
Inventories	-	-	-	-	-
Total Assets	\$ 336,157	\$ 617,262	144,561	577,099	859,457
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 980	\$ 983	758	4,598	1,883
Accrued payroll	756	1,397	422	3,531	958
Unearned revenues	87,809	121,912	23,523	363,504	214,334
Due to state general fund	-	-	-	95	-
Due to other state agencies	-	-	-	-	-
Due to other funds	-	-	-	-	-
Other liabilities	-	-	-	-	-
Due to federal government	-	-	-	-	-
Total Liabilities	89,545	124,292	24,703	371,728	217,175
Fund Balances					
Nonspendable:					
Prepaid postage	1,200	58	1,775	768	4,353
Inventory	-	-	-	-	-
Restricted	245,412	492,912	118,083	204,603	637,929
Unassigned	-	-	-	-	-
Total Fund Balances	246,612	492,970	119,858	205,371	642,282
Total Liabilities and Fund Balances	\$ 336,157	\$ 617,262	144,561	577,099	859,457

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	Special Revenue Funds				
	4560	4570	4590 Private	4600	4650
	Thanato- practice	Interior Design	Investigators & Polygraph	Landscape Architects	Real Estate Appraisers
Assets					
Interest in State Treasurer General Fund Investment Pool	\$ 354,175	53,258	286,180	159,233	543,495
Petty cash	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Prepaid postage	79	611	2,001	1,528	589
Due from other funds	-	-	-	-	-
Due from other state agencies	26	-	27	-	41
Due from federal government	-	-	-	-	-
Inventories	-	-	-	-	-
Total Assets	\$ 354,280	53,869	\$ 288,208	160,761	544,125
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 798	675	1,606	442	1,616
Accrued payroll	1,709	359	1,688	487	3,192
Unearned revenues	84,117	13,042	203,374	39,289	263,551
Due to state general fund	-	-	1,000	-	-
Due to other state agencies	-	-	-	-	-
Due to other funds	-	-	-	-	-
Other liabilities	-	-	(413)	(100)	(420)
Due to federal government	-	-	-	-	1,700
Total Liabilities	86,624	14,076	207,255	40,118	269,639
Fund Balances					
Nonspendable:					
Prepaid postage	79	611	2,001	1,528	589
Inventory	-	-	-	-	-
Restricted	267,577	39,182	78,952	119,115	273,897
Unassigned	-	-	-	-	-
Total Fund Balances	267,656	39,793	80,953	120,643	274,486
Total Liabilities and Fund Balances	\$ 354,280	53,869	288,208	160,761	544,125

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	Special Revenue Funds			
	4660	4690	4710	4720 HUD
	Board of Accountancy	Social Workers	Acupuncture	Manufactured Housing
Assets				
Interest in State Treasurer General Fund Investment Pool	\$ 666,164	683,115	363,116	296,481
Petty cash	48	-	-	-
Accounts receivable	-	-	-	-
Prepaid postage	3,299	903	606	-
Due from other funds	-	-	-	-
Due from other state agencies	54	49	32	-
Due from federal government	-	-	-	-
Inventories	-	-	-	-
Total Assets	<u>\$ 669,565</u>	<u>684,067</u>	<u>363,754</u>	<u>296,481</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 723	10,055	2,236	10
Accrued payroll	6,407	6,202	3,139	1,018
Unearned revenues	353,499	485,684	175,430	-
Due to state general fund	275	-	-	-
Due to other state agencies	-	-	-	-
Due to other funds	-	-	-	-
Other liabilities	(10)	(725)	(100)	20
Due to federal government	-	-	-	-
Total Liabilities	<u>360,894</u>	<u>501,216</u>	<u>180,705</u>	<u>1,048</u>
Fund Balances				
Nonspendable:				
Prepaid postage	3,299	903	606	-
Inventory	-	-	-	-
Restricted	305,372	181,948	182,443	295,433
Unassigned	-	-	-	-
Total Fund Balances	<u>308,671</u>	<u>182,851</u>	<u>183,049</u>	<u>295,433</u>
Total Liabilities and Fund Balances	<u>\$ 669,565</u>	<u>684,067</u>	<u>363,754</u>	<u>296,481</u>

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2013**

	Special Revenue Funds				
	4730 Speech Language & Audio	4740 Respiratory Care Advisory	4750 Athletic Trainers	5350 Napra- pathy	6430 Carnival Ride Insurance
Assets					
Interest in State Treasurer General Fund Investment Pool	\$ 504,828	173,015	100,515	289	119,900
Petty cash	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Prepaid postage	-	160	346	-	-
Due from other funds	-	-	-	-	-
Due from other state agencies	45	-	25	-	-
Due from federal government	-	-	-	-	-
Inventories	-	-	-	-	-
Total Assets	<u>\$ 504,873</u>	<u>173,175</u>	<u>\$ 100,886</u>	<u>289</u>	<u>119,900</u>
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 4,549	37	\$ 5	-	-
Accrued payroll	2,033	1,284	411	-	-
Unearned revenues	98,126	30,311	31,815	-	-
Due to state general fund	-	366	-	289	-
Due to other state agencies	-	-	-	-	-
Due to other funds	-	-	-	-	-
Other liabilities	(60)	(525)	-	-	-
Due to federal government	-	-	-	-	-
Total Liabilities	<u>104,648</u>	<u>31,473</u>	<u>32,231</u>	<u>289</u>	<u>-</u>
Fund Balances					
Nonspendable:					
Prepaid postage	-	160	346	-	-
Inventory	-	-	-	-	-
Restricted	400,225	141,542	68,309	-	119,900
Unassigned	-	-	-	-	-
Total Fund Balances	<u>400,225</u>	<u>141,702</u>	<u>68,655</u>	<u>-</u>	<u>119,900</u>
Total Liabilities and Fund Balances	<u>\$ 504,873</u>	<u>173,175</u>	<u>\$ 100,886</u>	<u>289</u>	<u>119,900</u>

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REGULATION AND LICENSING DEPARTMENT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2013**

	Special Revenue Funds					Non-Major Funds
	8760 Impaired Dentists	2110 Hoisting Operators	2011 Sign Language Interpreting	2012 Animal Shelter Services	8900 ARRA	
Assets						
Interest in State Treasurer General Fund Investment Pool	\$ 69,195	143,142	300,195	255,958	902	14,538,132
Petty cash	-	-	-	-	-	48
Accounts receivable	-	-	-	-	-	259
Prepaid postage	-	-	5,557	821	-	48,269
Due from other funds	-	-	-	-	-	-
Due from other state agencies	-	12	28	24	-	1,109
Due from federal government	-	-	-	-	-	-
Inventories	-	-	-	-	-	13,822
Total Assets	\$ 69,195	143,154	305,780	256,803	902	14,601,639
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ -	-	9	10	-	70,206
Accrued payroll	-	-	2,135	1,423	-	72,241
Unearned revenues	-	-	887	2,008	-	3,284,297
Due to state general fund	-	5	-	-	-	2,220
Due to other state agencies	-	-	-	10,750	-	10,750
Due to other funds	-	-	-	-	-	-
Other liabilities	-	-	-	-	902	(1,789)
Due to federal government	-	-	-	-	-	1,700
Total Liabilities	-	5	3,031	14,191	902	3,439,625
Fund Balances						
Nonspendable:						
Prepaid postage	-	-	5,557	821	-	48,269
Inventory	-	-	-	-	-	13,822
Restricted	69,195	143,149	297,192	241,791	-	11,099,923
Unassigned	-	-	-	-	-	-
Total Fund Balances	69,195	143,149	302,749	242,612	-	11,162,014
Total Liabilities and Fund Balances	\$ 69,195	143,154	305,780	256,803	902	14,601,639

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
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BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2013**

	Special Revenue				
	1155	2970	3720	3730	4390
	FID Settlement Fund	Real Estate Recovery	FID Revolving	CID Revolving	Board of Cosmetologists & Barbers
Revenues					
License fees	-	-	-	-	1,598,564
Services	-	-	-	-	8,811
Publications	-	-	-	4,466	-
Federal sources	-	-	-	-	-
Interest on investments	-	652	-	-	-
Other revenue	1,000,000	-	-	-	88,429
Total Revenues	<u>1,000,000</u>	<u>652</u>	<u>-</u>	<u>4,466</u>	<u>1,695,804</u>
Expenditures					
Current					
Personal services/employee benefits	-	-	-	-	527,529
Contractual services	-	-	-	-	47,977
In-state travel	-	-	-	-	11,769
Maintenance and repairs	-	-	-	-	172
Supplies and materials	-	-	-	-	11,675
Operating costs	-	-	-	57,465	33,790
Other costs	-	-	-	-	8,701
Out-of-state travel	-	-	-	-	762
Capital outlay	-	-	-	-	10,513
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,465</u>	<u>652,888</u>
Revenues over (under) expenditures	<u>1,000,000</u>	<u>652</u>	<u>-</u>	<u>(52,999)</u>	<u>1,042,916</u>
Other Financing Sources (Uses)					
Transfers in-interagency	-	-	-	-	-
Transfers out-interagency	-	-	-	-	-
Transfers in-interfund	-	-	-	-	-
Transfers out-interfund	-	-	-	-	(173,264)
General Fund appropriation	-	-	-	-	-
Reversions to State General Fund	-	-	-	-	-
Total Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(173,264)</u>
Net Change in Fund Balances	<u>1,000,000</u>	<u>652</u>	<u>-</u>	<u>(52,999)</u>	<u>869,652</u>
Fund balances, Beginning (deficit)	-	291,507	200	205,056	1,467,792
Fund balances, Ending	<u>\$ 1,000,000</u>	<u>292,159</u>	<u>200</u>	<u>152,057</u>	<u>2,337,444</u>

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
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BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2013**

		Special Revenue			
		4410	4420	4440	4450
		Athletic Commission	Massage Therapists	Counselors & Therapists	Real Estate Education and Training
Revenues					
License fees	\$	41,564	347,626	219,828	5,689
Services		117,799	3,927	19,030	3,530
Publications		-	-	-	-
Federal sources		-	-	-	-
Interest on investments		-	-	2,117	234
Other revenue		-	12,627	6,401	1,602
Total Revenues		<u>159,363</u>	<u>364,180</u>	<u>247,376</u>	<u>11,055</u>
Expenditures					
Current					
Personal services/employee benefits		6,938	154,167	254,799	-
Contractual services		8,958	9,220	8,100	-
In-state travel		16,736	2,650	8,945	-
Maintenance and repairs		-	-	-	-
Supplies and materials		2,720	2,122	2,777	-
Operating costs		2,578	7,343	4,236	-
Other costs		185	3,652	5,460	-
Out-of-state travel		-	-	-	-
Capital outlay		-	-	-	-
Total Expenditures		<u>38,115</u>	<u>179,154</u>	<u>284,317</u>	<u>-</u>
Revenues over (under) expenditures		<u>121,248</u>	<u>185,026</u>	<u>(36,941)</u>	<u>11,055</u>
Other Financing Sources (Uses)					
Transfers in-interagency		-	-	-	-
Transfers out-interagency		-	-	-	-
Transfers in-interfund		-	-	-	-
Transfers out-interfund		(15,927)	(46,252)	(70,866)	-
General Fund appropriation		-	-	-	-
Reversions to State General Fund		-	-	-	-
Total Financing Sources (Uses)		<u>(15,927)</u>	<u>(46,252)</u>	<u>(70,866)</u>	<u>-</u>
Net Change in Fund Balances		105,321	138,774	(107,807)	11,055
Fund balances, Beginning (deficit)		191,888	225,399	690,477	99,829
Fund balances, Ending	\$	<u>297,209</u>	<u>364,173</u>	<u>582,670</u>	<u>110,884</u>

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
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BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2013**

		Special Revenue			
		4460	4480	4490	4500
		Chiropractic Examiners	Nutrition and Dietetics	Nursing Home Administra- tion	Occupational Therapy
Revenues					
License fees	\$	186,527	35,945	42,645	54,948
Services		25,330	10	1,507	14,160
Publications		-	-	-	-
Federal sources		-	-	-	-
Interest on investments		-	-	-	-
Other revenue		5,500	650	1,300	2,855
Total Revenues		<u>217,357</u>	<u>36,605</u>	<u>45,452</u>	<u>71,963</u>
Expenditures					
Current					
Personal services/employee benefits		99,980	13,931	27,616	27,241
Contractual services		337	50	-	2,722
In-state travel		3,098	1,518	827	1,033
Maintenance and repairs		-	-	-	-
Supplies and materials		1,109	169	170	776
Operating costs		4,087	453	2,215	1,947
Other costs		2,971	1,467	429	859
Out-of-state travel		893	-	-	992
Capital outlay		-	-	-	-
Total Expenditures		<u>112,475</u>	<u>17,588</u>	<u>31,257</u>	<u>35,570</u>
Revenues over (under) expenditures		<u>104,882</u>	<u>19,017</u>	<u>14,195</u>	<u>36,393</u>
Other Financing Sources (Uses)					
Transfers in-interagency		-	-	-	-
Transfers out-interagency		-	-	-	-
Transfers in-interfund		-	-	-	-
Transfers out-interfund		(22,201)	(6,194)	(6,194)	(12,709)
General Fund appropriation		-	-	-	-
Reversions to State General Fund		-	-	-	-
Total Financing Sources (Uses)		<u>(22,201)</u>	<u>(6,194)</u>	<u>(6,194)</u>	<u>(12,709)</u>
Net Change in Fund Balances		82,681	12,823	8,001	23,684
Fund balances, Beginning (deficit)		428,233	109,495	62,602	348,884
Fund balances, Ending	\$	<u>510,914</u>	<u>122,318</u>	<u>70,603</u>	<u>372,568</u>

**STATE OF NEW MEXICO
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BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2013**

		Special Revenue				
		4510	4520	4530	4540	4550
		Optometry	Osteopathic Examiners	Podiatry	Psychologist Examiners	Physical Therapist
Revenues						
License fees	\$	64,244	116,196	34,163	133,216	149,184
Services		6,255	6,725	970	4,550	35,095
Publications		-	-	-	-	-
Federal sources		-	-	-	-	-
Interest on investments		-	-	-	-	1,668
Other revenue		3,025	6,400	1	2,099	3,390
Total Revenues		<u>73,524</u>	<u>129,321</u>	<u>35,134</u>	<u>139,865</u>	<u>189,337</u>
Expenditures						
Current						
Personal services/employee benefits		32,772	51,379	14,082	134,469	33,386
Contractual services		5,950	587	142	6,008	5,387
In-state travel		3,850	1,509	1,443	2,866	2,429
Maintenance and repairs		-	-	-	-	-
Supplies and materials		193	44	270	1,206	1,242
Operating costs		1,515	10,796	2,360	6,303	3,423
Other costs		1,389	1,853	545	2,805	2,094
Out-of-state travel		-	-	-	1,450	-
Capital outlay		-	-	-	-	-
Total Expenditures		<u>45,669</u>	<u>66,168</u>	<u>18,842</u>	<u>155,107</u>	<u>47,961</u>
Revenues over (under) expenditures		<u>27,855</u>	<u>63,153</u>	<u>16,292</u>	<u>(15,242)</u>	<u>141,376</u>
Other Financing Sources (Uses)						
Transfers in-interagency		-	-	-	-	-
Transfers out-interagency		-	-	-	-	-
Transfers in-interfund		-	-	-	-	-
Transfers out-interfund		(9,492)	(12,790)	(4,263)	(26,384)	(20,270)
General Fund appropriation		-	-	-	-	-
Reversions to State General Fund		-	-	-	-	-
Total Financing Sources (Uses)		<u>(9,492)</u>	<u>(12,790)</u>	<u>(4,263)</u>	<u>(26,384)</u>	<u>(20,270)</u>
Net Change in Fund Balances		18,363	50,363	12,029	(41,626)	121,106
Fund balances, Beginning (deficit)		228,249	442,607	107,829	246,997	521,176
Fund balances, Ending	\$	<u>246,612</u>	<u>492,970</u>	<u>119,858</u>	<u>205,371</u>	<u>642,282</u>

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BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2013**

	Special Revenue				
	4560	4570	4590	4600	4650
	Thanato- practice	Interior Design	Private Investigators & Polygraph	Landscape Architects	Real Estate Appraisers
Revenues					
License fees	\$ 91,577	10,817	54,061	31,866	171,507
Services	4,275	-	577	221	48,575
Publications	30	-	-	-	-
Federal sources	-	-	-	-	-
Interest on investments	738	-	756	-	1,093
Other revenue	2,648	800	3,985	4,000	8,756
Total Revenues	<u>99,268</u>	<u>11,617</u>	<u>59,379</u>	<u>36,087</u>	<u>229,931</u>
Expenditures					
Current					
Personal services/employee benefits	73,796	13,082	63,370	15,031	132,016
Contractual services	2,677	-	8,399	-	29,893
In-state travel	4,233	644	778	1,556	13,939
Maintenance and repairs	-	-	-	-	-
Supplies and materials	296	-	1,918	116	1,610
Operating costs	4,186	3,802	4,393	5,102	3,010
Other costs	3,385	1,214	2,441	488	3,715
Out-of-state travel	-	-	1,067	-	-
Capital outlay	-	-	10,308	-	-
Total Expenditures	<u>88,573</u>	<u>18,742</u>	<u>92,674</u>	<u>22,293</u>	<u>184,183</u>
Revenues over (under) expenditures	<u>10,695</u>	<u>(7,125)</u>	<u>(33,295)</u>	<u>13,794</u>	<u>45,748</u>
Other Financing Sources (Uses)					
Transfers in-interagency	-	-	-	-	-
Transfers out-interagency	-	-	-	-	-
Transfers in-interfund	-	-	-	-	-
Transfers out-interfund	(19,225)	(3,137)	(61,696)	(4,665)	(29,440)
General Fund appropriation	-	-	-	-	-
Reversions to State General Fund	-	-	-	-	-
Total Financing Sources (Uses)	<u>(19,225)</u>	<u>(3,137)</u>	<u>(61,696)</u>	<u>(4,665)</u>	<u>(29,440)</u>
Net Change in Fund Balances	<u>(8,530)</u>	<u>(10,262)</u>	<u>(94,991)</u>	<u>9,129</u>	<u>16,308</u>
Fund balances, Beginning (deficit)	276,186	50,055	175,944	111,514	258,178
Fund balances, Ending	<u>\$ 267,656</u>	<u>39,793</u>	<u>80,953</u>	<u>120,643</u>	<u>274,486</u>

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
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BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2013**

		Special Revenue			
		4660	4690	4710	4720
		Board of Accountancy	Social Workers	Acupuncture	HUD Manufactured Housing
Revenues					
License fees	\$	369,899	179,590	86,700	-
Services		9,930	5,795	21,117	86,590
Publications		-	-	-	-
Federal sources		-	-	-	10,661
Interest on investments		1,454	1,414	929	-
Other revenue		33,955	3,375	5,830	12,218
Total Revenues		<u>415,238</u>	<u>190,174</u>	<u>114,576</u>	<u>109,469</u>
Expenditures					
Current					
Personal services/employee benefits		302,682	217,378	119,291	31,833
Contractual services		43	8,613	19,006	-
In-state travel		6,566	4,575	2,836	-
Maintenance and repairs		499	-	-	-
Supplies and materials		1,682	3,647	1,863	1,344
Operating costs		99,031	12,555	4,907	480
Other costs		2,545	5,730	1,908	-
Out-of-state travel		-	-	-	-
Capital outlay		-	-	-	-
Total Expenditures		<u>413,048</u>	<u>252,498</u>	<u>149,811</u>	<u>33,657</u>
Revenues over (under) expenditures		<u>2,190</u>	<u>(62,324)</u>	<u>(35,235)</u>	<u>75,812</u>
Other Financing Sources (Uses)					
Transfers in-interagency		-	-	-	-
Transfers out-interagency		-	-	-	-
Transfers in-interfund		-	-	-	-
Transfers out-interfund		(66,442)	(57,916)	(31,612)	(10,618)
General Fund appropriation		-	-	-	-
Reversions to State General Fund		-	-	-	-
Total Financing Sources (Uses)		<u>(66,442)</u>	<u>(57,916)</u>	<u>(31,612)</u>	<u>(10,618)</u>
Net Change in Fund Balances		<u>(64,252)</u>	<u>(120,240)</u>	<u>(66,847)</u>	<u>65,194</u>
Fund balances, Beginning (deficit)		<u>372,923</u>	<u>303,091</u>	<u>249,896</u>	<u>230,239</u>
Fund balances, Ending	\$	<u><u>308,671</u></u>	<u><u>182,851</u></u>	<u><u>183,049</u></u>	<u><u>295,433</u></u>

**STATE OF NEW MEXICO
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BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2013**

	Special Revenue				
	4730	4740	4750	5350	6430
	Speech Language & Audio	Respiratory Care Advisory	Athletic Trainers	Naprath- pathy	Carnival Ride Insurance
Revenues					
License fees	\$ 166,384	75,412	(3,442)	-	16,950
Services	10,084	890	120	-	-
Publications	-	-	-	-	-
Federal sources	-	-	-	-	-
Interest on investments	1,008	-	232	-	-
Other revenue	11,540	200	9	-	-
Total Revenues	<u>189,016</u>	<u>76,502</u>	<u>(3,081)</u>	<u>-</u>	<u>16,950</u>
Expenditures					
Current					
Personal services/employee benefits	81,775	52,330	8,696	-	-
Contractual services	874	169	43	-	-
In-state travel	2,028	530	-	-	-
Maintenance and repairs	-	-	-	-	-
Supplies and materials	3,941	679	6	-	-
Operating costs	5,702	1,358	99	-	-
Other costs	3,172	422	332	-	-
Out-of-state travel	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	<u>97,492</u>	<u>55,488</u>	<u>9,176</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>91,524</u>	<u>21,014</u>	<u>(12,257)</u>	<u>-</u>	<u>16,950</u>
Other Financing Sources (Uses)					
Transfers in-interagency	-	-	-	-	-
Transfers out-interagency	-	-	-	-	-
Transfers in-interfund	-	-	-	-	-
Transfers out-interfund	(26,384)	(11,261)	(3,298)	-	-
General Fund appropriation	-	-	-	-	-
Reversions to State General Fund	-	-	-	-	-
Total Financing Sources (Uses)	<u>(26,384)</u>	<u>(11,261)</u>	<u>(3,298)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	65,140	9,753	(15,555)	-	16,950
Fund balances, Beginning (deficit)	335,085	131,949	84,210	-	102,950
Fund balances, Ending	<u>\$ 400,225</u>	<u>141,702</u>	<u>68,655</u>	<u>-</u>	<u>119,900</u>

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BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2013**

	Special Revenue				
	8760	2110	2011	2012	8900
	Impaired Dentists	Hoisting Operators	Sign Language Interpreting	Animal Shelter Services	ARRA
Revenues					
License fees	-	20,050	7,682	3,610	-
Services	15,105	-	44	-	-
Publications	-	-	-	7,900	-
Federal sources	-	-	-	-	-
Interest on investments	-	292	766	611	-
Other revenue	-	-	240	-	-
Total Revenues	<u>15,105</u>	<u>20,342</u>	<u>8,732</u>	<u>12,121</u>	<u>-</u>
Expenditures					
Current					
Personal services/employee benefits	-	-	74,722	45,402	-
Contractual services	11,550	-	1,493	81	-
In-state travel	-	-	2,076	1,695	-
Maintenance and repairs	-	-	-	-	-
Supplies and materials	-	-	6,298	542	-
Operating costs	-	-	1,606	703	-
Other costs	-	-	1,522	84	-
Out-of-state travel	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	<u>11,550</u>	<u>-</u>	<u>87,717</u>	<u>48,507</u>	<u>-</u>
Revenues over (under) expenditures	<u>3,555</u>	<u>20,342</u>	<u>(78,985)</u>	<u>(36,386)</u>	<u>-</u>
Other Financing Sources (Uses)					
Transfers in-interagency	-	-	-	-	-
Transfers out-interagency	-	-	-	-	-
Transfers in-interfund	-	-	25,000	-	-
Transfers out-interfund	-	-	(17,941)	(15,846)	-
General Fund appropriation	-	-	-	28,800	-
Reversions to State General Fund	-	-	-	-	-
Total Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>7,059</u>	<u>12,954</u>	<u>-</u>
Net Change in Fund Balances	<u>3,555</u>	<u>20,342</u>	<u>(71,926)</u>	<u>(23,432)</u>	<u>-</u>
Fund balances, Beginning (deficit)	65,640	122,807	374,675	266,044	-
Fund balances, Ending	<u>\$ 69,195</u>	<u>143,149</u>	<u>302,749</u>	<u>242,612</u>	<u>-</u>

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
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BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2013**

	NonMajor Funds
Revenues	
License fees	\$ 4,313,002
Services	451,022
Publications	12,396
Federal sources	10,661
Interest on investments	13,964
Other revenue	<u>1,221,835</u>
Total Revenues	<u>6,022,880</u>
Expenditures	
Current	
Personal services/employee benefits	2,609,693
Contractual services	178,279
In-state travel	100,129
Maintenance and repairs	671
Supplies and materials	48,415
Operating costs	285,445
Other costs	59,368
Out-of-state travel	5,164
Capital outlay	<u>20,821</u>
Total Expenditures	<u>3,307,985</u>
Revenues over (under) expenditures	<u>2,714,895</u>
Other Financing Sources (Uses)	
Transfers in-interagency	-
Transfers out-interagency	-
Transfers in-interfund	25,000
Transfers out-interfund	(786,287)
General Fund appropriation	28,800
Reversions to State General Fund	<u>-</u>
Total Financing Sources (Uses)	<u>(732,487)</u>
Net Change in Fund Balances	1,982,408
Fund balances, Beginning (deficit)	<u>9,179,606</u>
Fund balances, Ending	<u>\$ 11,162,014</u>

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINED GENERAL FUND BUDGET SCHEDULES BY PROGRAM-
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL -
GENERAL FUND - CONSTRUCTION INDUSTRIES AND HOUSING (P599)
For the Year Ended June 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
State general fund appropriation	\$ 8,030,500	8,030,500	8,030,500	-
Other licenses and permits	-	-	111,500	111,500
Other revenue	-	-	79,907	79,907
Other financing sources	<u>250,000</u>	<u>250,000</u>	<u>-</u>	<u>(250,000)</u>
Total Revenues	<u>8,280,500</u>	<u>8,280,500</u>	<u>8,221,907</u>	<u>(58,593)</u>
Cash balance budgeted	<u>-</u>	<u>-</u>		
Total	<u>\$ 8,280,500</u>	<u>8,280,500</u>		
Expenditures				
Personnel services and benefits	7,120,400	6,823,700	6,459,492	364,208
Contractual services	27,800	146,450	136,900	9,550
Other	1,132,300	1,310,350	1,241,414	68,936
State general fund reversions	<u>-</u>	<u>-</u>	<u>925,941</u>	<u>(925,941)</u>
Total Expenditures	<u>8,280,500</u>	<u>8,280,500</u>	<u>8,763,747</u>	<u>(483,247)</u>
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)			<u>(541,840)</u>	
Net change in fund balance			<u>\$ (541,840)</u>	
Reconciliation of Budgetary Basis to Fund Financial Statement				
Total budget basis expenditures for fiscal year 2013:			\$ 8,763,747	
Adjustments:				
Amounts expensed in FY 13 financial statements and paid out of FY14 budget			-	
Amounts expensed in FY12 financial statements and paid out of FY13 budget			-	
Rounding			<u>-</u>	
Total GAAP Basis Expenditures for the fiscal year ended June 30, 2013:			<u>\$ 8,763,747</u>	

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINED GENERAL FUND BUDGET SCHEDULES BY PROGRAM-
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL -
GENERAL FUND- FINANCIAL INSTITUTION AND SECURITIES (P600)
For the Year Ended June 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
State general fund appropriation	\$ 2,323,600	2,323,600	2,323,600	-
Other licenses and permits	-	-	-	-
Miscellaneous Revenue	-	-	1,150	1,150
Other financing sources	-	458,333	195,930	(262,403)
Total Revenues	<u>2,323,600</u>	<u>2,781,933</u>	<u>2,520,680</u>	<u>(261,253)</u>
Cash balance budgeted	-	-		
Total	<u>\$ 2,323,600</u>	<u>2,781,933</u>		
Expenditures				
Personnel services and benefits	2,091,700	1,786,700	1,723,686	63,014
Contractual services	18,500	512,833	254,602	258,231
Other	213,400	482,400	423,555	58,845
State General Fund Reversions	-	-	-	-
Total Expenditures	<u>2,323,600</u>	<u>2,781,933</u>	<u>2,401,843</u>	<u>380,090</u>

Excess (deficiency) of revenues over
expenditures (prior year cash balance
required to balance budget)

Net change in fund balance

118,837
\$ 118,837

Reconciliation of Budgetary Basis to Fund Financial Statement

Total budget basis expenditures for fiscal year 2013:

\$ 2,401,843

Adjustments:

Amounts expensed in FY 13 financial statements and paid out of FY14 budget

-

Amounts expensed in FY12 financial statements and paid out of FY13 budget

-

Rounding

-

Total GAAP Basis Expenditures for the fiscal year ended June 30, 2013:

\$ 2,401,843

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINED GENERAL FUND BUDGET SCHEDULES BY PROGRAM-
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL -
GENERAL FUND-ALCOHOL AND GAMING (P601)
For the Year Ended June 30, 2013**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
State general fund appropriation	\$ 844,700	844,700	844,700	-
Other licenses and permits	-	-	-	-
Other revenue	-	-	-	-
Other financing sources	-	-	-	-
Total Revenues	<u>844,700</u>	<u>844,700</u>	<u>844,700</u>	<u>-</u>
Cash balance budgeted	-	-		
Total	<u>\$ 844,700</u>	<u>844,700</u>		
Expenditures				
Personnel services and benefits	772,500	675,800	671,172	4,628
Contractual services	39,100	40,600	22,238	18,362
Other	33,100	128,300	111,422	16,878
Reversions to State General Fund	-	-	-	-
Total Expenditures	<u>844,700</u>	<u>844,700</u>	<u>804,832</u>	<u>39,868</u>
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)			<u>39,868</u>	
Net change in fund balance			<u>\$ 39,868</u>	
Reconciliation of Budgetary Basis to Fund Financial Statement				
Total budget basis expenditures for fiscal year 2013:			\$ 804,832	
Adjustments:				
Amounts expensed in FY 13 financial statements and paid out of FY14 budget			-	
Amounts expensed in FY12 financial statements and paid out of FY13 budget			-	
Rounding			<u>-</u>	
Total GAAP Basis Expenditures for the fiscal year ended June 30, 2013:			<u>\$ 804,832</u>	

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINED GENERAL FUND BUDGET SCHEDULES BY PROGRAM-
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL -
GENERAL FUND - PROGRAM SUPPORT (P602)
For the Year Ended June 30, 2013**

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
State general fund appropriation	\$ 1,575,300	1,575,300	1,575,300	-
Federal revenues	-	198,629	84,732	113,897
Miscellaneous revenues	-	-	771	771
Other penalties	-	-	3,500	3,500
Other licenses and permits	-	-	1,975	1,975
Other financing sources	<u>1,625,400</u>	<u>1,625,400</u>	<u>1,316,248</u>	<u>(309,152)</u>
Total Revenues	<u>3,200,700</u>	<u>3,399,329</u>	<u>2,982,526</u>	<u>(189,009)</u>
Cash balance budgeted	<u>-</u>	<u>-</u>		
Total	<u>\$ 3,200,700</u>	<u>3,399,329</u>		
Expenditures				
Personnel services and benefits	2,327,800	2,476,829	2,046,857	429,972
Contractual services	362,600	368,600	313,935	54,665
Other	500,600	553,900	494,764	59,136
Reversions to State General Fund	-	-	-	-
Other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>3,191,000</u>	<u>3,399,329</u>	<u>2,855,556</u>	<u>543,773</u>
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)			<u>126,970</u>	
Net change in fund balance			<u>\$ 126,970</u>	
Reconciliation of Budgetary Basis to Fund Financial Statement				
Total budget basis expenditures for fiscal year 2013:			\$ 2,855,556	
Adjustments:				
Amounts expensed in FY 13 financial statements and paid out of FY14 budget			-	
Amounts expensed in FY12 financial statements and paid out of FY13 budget			-	
Rounding			<u>-</u>	
Total GAAP Basis Expenditures for the fiscal year ended June 30, 2013:			<u>\$ 2,855,556</u>	

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
REAL ESTATE RECOVERY FUND - 2970
For the Year Ended June 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Interest on Bank Deposits	\$ 500	-	652	652
Total Revenues	<u>500</u>	<u>-</u>	<u>652</u>	<u>652</u>
Cash balance budgeted	<u>291,447</u>	<u>291,447</u>		
Total	291,947	291,447		
Expenditures				
Other	<u>50,000</u>	<u>50,000</u>	-	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)			<u>652</u>	
Net change in fund balance			<u>\$ 652</u>	
Reconciliation of Budgetary Basis to Fund Financial Statement				
Total budget basis expenditures for fiscal year 2013:			\$ -	
Adjustments:				
Amounts expensed in FY 13 financial statements and paid out of FY14 budget			-	
Amounts expensed in FY12 financial statements and paid out of FY13 budget			-	
Rounding			<u>-</u>	
Total modified GAAP Basis Expenditures for the fiscal year ended June 30, 2013			<u>\$ -</u>	

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
CONSTRUCTION INDUSTRIES REVOLVING FUND - 3730
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Publications	\$ 78,000	78,000	4,466	(73,534)
Total Revenues	<u>78,000</u>	<u>78,000</u>	4,466	<u>(73,534)</u>
Cash balance budgeted				
Total	<u>\$ 78,000</u>	<u>78,000</u>		
Expenditures				
Other	<u>100,000</u>	<u>100,000</u>	<u>57,465</u>	<u>42,535</u>
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>57,465</u>	<u>42,535</u>
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)			\$ <u>(52,999)</u>	
Net change in fund balance			<u>(52,999)</u>	
Reconciliation of Budgetary Basis to Fund Financial Statement				
Total budget basis expenditures for fiscal year 2013:			\$ 57,465	
Adjustments:				
Amounts expensed in FY 13 financial statements and paid out of FY14 budget			-	
Amounts expensed in FY12 financial statements and paid out of FY13 budget			-	
Rounding			<u>-</u>	
Total GAAP Basis Expenditures for the fiscal year ended June 30, 2013:			<u>\$ 57,465</u>	

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
BOARD OF BARBERS AND COSMETOLOGISTS FUND - 4390
For the Year Ended June 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Trades and professions licenses	\$ 174,000	174,000	686,080	512,080
Registration for trades and prof. licenses	635,000	635,000	869,213	234,213
Trades and professions examination fees	-	-	10	
Other registration fees	35,000	35,000	43,260	8,260
Other current services	12,300	12,300	8,811	(3,489)
Other penalties	82,000	82,000	88,429	6,429
Total Revenues	<u>938,300</u>	<u>938,300</u>	<u>1,695,803</u>	<u>757,493</u>
Cash balance budgeted	<u>2,064,798</u>	<u>2,064,798</u>		
Total	<u>\$ 3,003,098</u>	<u>3,003,098</u>		
Expenditures				
Personnel services and benefits	585,900	570,900	527,529	43,371
Contractual services	45,000	52,800	47,977	4,823
Other	54,115	146,115	77,381	68,734
Other financing uses	215,400	215,400	173,264	42,136
Total Expenditures	<u>900,415</u>	<u>985,215</u>	<u>826,151</u>	<u>159,064</u>
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)			<u>869,652</u>	
Net change in fund balance			<u>\$ 869,652</u>	
Reconciliation of Budgetary Basis to Fund Financial Statement				
Total budget basis expenditures for fiscal year 2013:			\$ 826,151	
Adjustments:				
Amounts expensed in FY 13 financial statements and paid out of FY14 budget			-	
Amounts expensed in FY12 financial statements and paid out of FY13 budget			-	
Rounding			<u>-</u>	
Total GAAP Basis Expenditures for the fiscal year ended June 30, 2013:			<u>\$ 826,151</u>	

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
ATHLETIC COMMISSION - 4410
For the Year Ended June 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Trade and professions licenses	\$ 5,000	5,000	26,515	21,515
Registration for trades and prof. licenses	5,000	5,000	15,000	10,000
Other licenses and permits	-	-	50	50
Other current services	<u>64,000</u>	<u>64,000</u>	<u>117,799</u>	<u>53,799</u>
Total Revenues	74,000	74,000	159,364	<u>85,364</u>
Cash balance budgeted	<u>204,440</u>	<u>204,440</u>		
Total	<u>\$ 278,440</u>	<u>278,440</u>		
Expenditures				
Personnel services and benefits	\$ 49,400	30,400	6,938	23,462
Contractual services	9,000	19,000	8,958	10,042
Other	19,500	33,385	22,220	11,165
Other financing uses	<u>19,800</u>	<u>19,800</u>	<u>15,927</u>	<u>3,873</u>
Total Expenditures	<u>\$ 97,700</u>	<u>102,585</u>	<u>54,043</u>	<u>48,542</u>
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)			<u>105,321</u>	
Net change in fund balance			<u>\$ 105,321</u>	
Reconciliation of Budgetary Basis to Fund Financial Statement				
Total budget basis expenditures for fiscal year 2013:			\$ 54,043	
Adjustments:				
Amounts expensed in FY 13 financial statements and paid out of FY14 budget			-	
Amounts expensed in FY12 financial statements and paid out of FY13 budget			-	
Rounding			<u>-</u>	
Total GAAP Basis Expenditures for the fiscal year ended June 30, 2013:			<u>\$ 54,043</u>	

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
MESSAGE THERAPY BOARD - 4420
For the Year Ended June 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Trades and professions licenses	\$ 71,600	71,600	160,678	89,078
Registration for trades and prof. licenses	180,000	180,000	186,950	6,950
Other current services	5,000	5,000	3,927	(1,073)
Other penalties	<u>9,000</u>	<u>9,000</u>	<u>12,625</u>	<u>3,625</u>
Total Revenues	265,600	265,600	364,180	<u>98,580</u>
Cash balance budgeted	<u>391,280</u>	<u>391,280</u>		
Total	<u>\$ 656,880</u>	<u>656,880</u>		
Expenditures				
Personnel services and benefits	195,900	169,650	154,167	15,483
Contractual services	2,000	18,000	9,220	8,780
Other	12,600	22,850	15,767	7,083
Other financing uses	<u>57,500</u>	<u>57,500</u>	<u>46,252</u>	<u>11,248</u>
Total Expenditures	<u>268,000</u>	<u>268,000</u>	<u>225,406</u>	<u>42,594</u>
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)			<u>138,774</u>	
Net change in fund balance			<u>\$ 138,774</u>	
Reconciliation of Budgetary Basis to Fund Financial Statement				
Total budget basis expenditures for fiscal year 2013:			\$ 225,406	
Adjustments:				
Amounts expensed in FY 13 financial statements and paid out of FY14 budget			-	
Amounts expensed in FY12 financial statements and paid out of FY13 budget			-	
Rounding			<u>-</u>	
Total GAAP Basis Expenditures for the fiscal year ended June 30, 2013:			<u>\$ 225,406</u>	

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
COUNSELORS AND THERAPY PRACTICE BOARD - 4440
For the Year Ended June 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Trades and professions licenses	\$ 88,000	88,000	25,727	(62,273)
Registration for trades and prof. licenses	300,000	300,000	194,102	(105,898)
Trades and professions examination fees	8,000	8,000	10,225	2,225
Other current services	8,200	8,200	8,805	605
Interest Investments	700	700	2,117	1,417
Other penalties	<u>5,000</u>	<u>5,000</u>	<u>6,400</u>	<u>1,400</u>
Total Revenues	409,900	409,900	247,376	<u>(162,524)</u>
Cash balance budgeted	<u>781,425</u>	<u>781,425</u>		
Total	<u>\$ 1,191,325</u>	<u>1,191,325</u>		
Expenditures				
Personnel services and benefits	\$ 300,400	292,400	254,799	37,601
Contractual services	10,500	18,500	8,100	10,400
Other	57,900	57,900	21,418	36,482
Other financing uses	<u>88,100</u>	<u>88,100</u>	<u>70,866</u>	<u>17,234</u>
Total Expenditures	<u>\$ 456,900</u>	<u>456,900</u>	<u>355,183</u>	<u>101,717</u>

Excess (deficiency) of revenues over
expenditures (prior year cash balance
required to balance budget)

Net change in fund balance

(107,807)
\$ (107,807)

Reconciliation of Budgetary Basis to Fund Financial Statement

Total budget basis expenditures for fiscal year 2013:

\$ -

Adjustments:

Amounts expensed in FY 13 financial statements and paid out of FY14 budget

-

Amounts expensed in FY12 financial statements and paid out of FY13 budget

-

Rounding

-

Total GAAP Basis Expenditures for the fiscal year ended June 30, 2013:

\$ -

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
REAL ESTATE EDUCATION & TRAINING - 4450
For the Year Ended June 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Registration for trades and prof. licenses	\$ -	-	5,689	5,689
Other current services	-	-	3,530	
Miscellaneous revenue	-	-	<u>1,836</u>	<u>1,836</u>
Total Revenues	-	-	11,055	<u>7,525</u>
Cash balance budgeted	<u>99,809</u>	<u>99,809</u>		
Total	<u>\$ 99,809</u>	<u>99,809</u>		
Expenditures				
Contractual services	\$ -	-	-	-
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>11,055</u>	
Net change in fund balance			<u>\$ 11,055</u>	
Reconciliation of Budgetary Basis to Fund Financial Statement				
Total budget basis expenditures for fiscal year 2013:			\$ -	
Adjustments:				
Amounts expensed in FY 13 financial statements and paid out of FY14 budget			-	
Amounts expensed in FY12 financial statements and paid out of FY13 budget			-	
Rounding			<u>-</u>	
Total GAAP Basis Expenditures for the fiscal year ended June 30, 2013:			<u>\$ -</u>	

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
BOARD OF CHIROPRACTIC EXAMINERS - 4460
For the Year Ended June 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Trades and professions licenses	\$ 43,100	43,100	12,228	(30,872)
Registration for trades and prof. licenses	92,300	92,300	174,300	82,000
Other current services	21,700	21,700	25,330	3,630
Other penalties	-	-	5,500	5,500
Total Revenues	<u>157,100</u>	<u>157,100</u>	<u>217,358</u>	<u>60,258</u>
Cash balance budgeted	<u>588,347</u>	<u>588,347</u>		
Total	<u>\$ 745,447</u>	<u>745,447</u>		
Expenditures				
Personnel services and benefits	107,800	106,800	99,981	6,819
Contractual services	4,100	3,600	337	3,263
Other	17,800	19,300	12,158	7,142
Other financing uses	27,600	27,600	22,201	5,399
Total Expenditures	<u>157,300</u>	<u>157,300</u>	<u>134,677</u>	<u>22,623</u>
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)			<u>82,681</u>	
Net change in fund balance			<u>\$ 82,681</u>	
Reconciliation of Budgetary Basis to Fund Financial Statement				
Total budget basis expenditures for fiscal year 2013:			\$ 134,677	
Adjustments:				
Amounts expensed in FY 13 financial statements and paid out of FY14 budget			-	
Amounts expensed in FY12 financial statements and paid out of FY13 budget			-	
Rounding			-	
Total GAAP Basis Expenditures for the fiscal year ended June 30, 2013:			<u>\$ 134,677</u>	

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
NUTRITION AND DIETETICS PRACTICE BOARD - 448o
For the Year Ended June 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Trades and professions licenses	\$ 9,300	9,300	8,196	(1,104)
Registration for trades and prof. licenses	24,500	24,500	27,750	3,250
Other current services	-	-	10	10
Other penalties	100	100	650	550
Total Revenues	<u>33,900</u>	<u>33,900</u>	<u>36,606</u>	<u>2,706</u>
Cash balance budgeted	<u>2,735,339</u>	<u>1,700</u>		
Total	<u>\$ 2,769,239</u>	<u>35,600</u>		
Expenditures				
Personnel services and benefits	13,800	14,300	13,932	368
Contractual services	-	100	50	50
Other	14,100	13,500	3,607	9,893
Other financing uses	7,700	7,700	6,194	1,506
Total Expenditures	<u>35,600</u>	<u>35,600</u>	<u>23,783</u>	<u>11,817</u>
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)			<u>12,823</u>	
Net change in fund balance			<u>\$ 12,823</u>	
Reconciliation of Budgetary Basis to Fund Financial Statement				
Total budget basis expenditures for fiscal year 2013:			\$ 23,783	
Adjustments:				
Amounts expensed in FY 13 financial statements and paid out of FY14 budget			-	
Amounts expensed in FY12 financial statements and paid out of FY13 budget			-	
Rounding			-	
Total GAAP Basis Expenditures for the fiscal year ended June 30, 2013:			<u>\$ 23,783</u>	

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
BOARD OF NURSING HOME ADMINISTRATORS - 4490
For the Year Ended June 30, 2013**

	Original Budget	Final Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 14,500	14,500	14,078	(422)
Registration for trades and prof. licenses	26,400	26,400	28,567	2,167
Trades and professions examination fees	-	-	650	
Other current services	-	-	857	857
Miscellaneous revenue	-	-	1,300	1,300
Total Revenues	40,900	40,900	45,452	3,902
Cash balance budgeted	85,888	85,888		
Total	\$ 126,788	126,788		
Expenditures				
Personnel services and benefits	30,300	30,700	27,615	3,085
Contractual services	-	-	-	-
Other	6,000	7,800	3,642	4,158
Other financing uses	7,700	7,700	6,194	1,506
Total Expenditures	44,000	46,200	37,451	8,749
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)			8,001	
Net change in fund balance			\$ 8,001	
Reconciliation of Budgetary Basis to Fund Financial Statement				
Total budget basis expenditures for fiscal year 2013:			\$ 37,451	
Adjustments:				
Amounts expensed in FY 13 financial statements and paid out of FY14 budget			-	
Amounts expensed in FY12 financial statements and paid out of FY13 budget			-	
Rounding			-	
Total GAAP Basis Expenditures for the fiscal year ended June 30, 2013:			\$ 37,451	

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
BOARD OF OCCUPATIONAL THERAPY PRACTICE - 4500
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Trades and professions licenses	\$ 13,800	13,800	6,487	(7,313)
Registration for trades and prof. licenses	21,800	21,800	48,300	26,500
Other licenses and permits	-	-	160	
Trades and professions examination fees	21,800	21,800	-	(21,800)
Other current services	18,000	18,000	1,610	(16,390)
Other penalties	4,700	4,700	12,550	7,850
Miscellaneous revenue	-	-	2,855	2,855
Total Revenues	<u>80,100</u>	<u>80,100</u>	<u>71,962</u>	<u>(8,298)</u>
Cash balance budgeted	<u>369,937</u>	<u>369,937</u>		
Total	<u>\$ 450,037</u>	<u>450,037</u>		
Expenditures				
Personnel services and benefits	\$ 42,000	42,000	27,240	14,760
Contractual services	3,000	6,000	2,722	3,278
Other	20,100	17,100	5,702	11,398
Other financing uses	15,800	15,800	12,709	3,091
Total Expenditures	<u>\$ 80,900</u>	<u>80,900</u>	<u>48,373</u>	<u>32,527</u>
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)			<u>23,589</u>	
Net change in fund balance			<u>\$ 23,589</u>	
Reconciliation of Budgetary Basis to Fund Financial Statement				
Total budget basis expenditures for fiscal year 2013:			\$ 48,373	
Adjustments:				
Amounts expensed in FY13 financial statements and paid out of FY14 budget			(95)	
Amounts expensed in FY12 financial statements and paid out of FY13 budget			-	
Rounding			-	
Total GAAP Basis Expenditures for the fiscal year ended June 30, 2013:			<u>\$ 48,278</u>	

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
OPTOMETRY BOARD - 4510
For the Year Ended June 30, 2013**

	Original Budget	Final Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 5,000	5,000	6,944	1,944
Registration for trades and prof licenses	54,400	54,400	57,300	2,900
Trades and professions examination fees	7,000	7,000	5,600	(1,400)
Other current services	1,100	1,100	655	(445)
Other penalties	2,700	2,700	3,025	325
Total Revenues	70,200	70,200	73,524	3,324
Cash balance budgeted	289,568	289,568		
Total	\$ 359,768	359,768		
Expenditures				
Personnel services and benefits	\$ 41,100	37,600	32,772	4,828
Contractual services	10,600	8,100	5,950	2,150
Other	7,300	13,300	6,947	6,353
Other financing uses	11,800	11,800	9,492	2,308
Total Expenditures	\$ 70,800	70,800	55,161	15,639
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)			18,363	
Net change in fund balance			\$ 18,363	
Reconciliation of Budgetary Basis to Fund Financial Statement				
Total budget basis expenditures for fiscal year 2013:			\$ 55,161	
Adjustments:				
Amounts expensed in FY 13 financial statements and paid out of FY14 budget			-	
Amounts expensed in FY12 financial statements and paid out of FY13 budget			-	
Rounding			-	
Total GAAP Basis Expenditures for the fiscal year ended June 30, 2013:			\$ 55,161	

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
BOARD OF OSTEOPATHIC MEDICAL EXAMINERS - 4520
For the Year Ended June 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Trades and professions licenses	23,000	23,000	11,770	(11,230)
Registration for trades and prof. licenses	62,000	62,000	104,425	42,425
Other current services	3,000	3,000	6,725	3,725
Other penalties	5,000	5,000	6,400	1,400
Total Revenues	<u>93,000</u>	<u>93,000</u>	<u>129,320</u>	<u>36,320</u>
Cash balance budgeted	<u>547,561</u>	<u>547,561</u>		
Total	\$ <u>640,561</u>	<u>640,561</u>		
Expenditures				
Personnel services and benefits	55,200	47,200	51,378	(4,178)
Contractual services	2,000	9,500	587	8,913
Other	20,700	21,200	14,202	6,998
Other financing uses	15,900	15,900	12,790	3,110
Total Expenditures	<u>93,800</u>	<u>93,800</u>	<u>78,957</u>	<u>14,843</u>
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)			<u>50,363</u>	
Net change in fund balance			\$ <u><u>50,363</u></u>	
Reconciliation of Budgetary Basis to Fund Financial Statement				
Total budget basis expenditures for fiscal year 2013:			\$ 78,957	
Adjustments:				
Amounts expensed in FY 13 financial statements and paid out of FY14 budget			-	
Amounts expensed in FY12 financial statements and paid out of FY13 budget			-	
Rounding			<u>-</u>	
Total GAAP Basis Expenditures for the fiscal year ended June 30, 2013:			\$ <u><u>78,957</u></u>	

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
PODIATRY BOARD - 4530
For the Year Ended June 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Trades and professions licenses	\$ 5,000	5,000	264	(4,736)
Registration for trades and prof. licenses	300	-	-	
Other registration fees	24,300	24,300	33,900	9,600
Other penalties	900	-	-	
Other current services	900	-	970	970
Total Revenues	<u>31,400</u>	<u>29,300</u>	<u>35,134</u>	<u>5,834</u>
Cash balance budgeted	<u>124,396</u>	<u>124,396</u>		
Total	<u>\$ 155,796</u>	<u>153,696</u>		
Expenditures				
Personnel services and benefits	14,500	14,850	14,082	768
Contractual services	1,000	2,235	142	2,093
Other	10,900	10,900	4,618	6,282
Other financing uses	5,300	5,300	4,263	1,037
Total Expenditures	<u>31,700</u>	<u>33,285</u>	<u>23,105</u>	<u>10,180</u>
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)			<u>12,029</u>	
Net change in fund balance			<u>\$ 12,029</u>	
Reconciliation of Budgetary Basis to Fund Financial Statement				
Total budget basis expenditures for fiscal year 2013:			\$ 23,105	
Adjustments:				
Amounts expensed in FY 13 financial statements and paid out of FY14 budget			-	
Amounts expensed in FY12 financial statements and paid out of FY13 budget			-	
Rounding			-	
Total GAAP Basis Expenditures for the fiscal year ended June 30, 2013:			<u>\$ 23,105</u>	

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
PSYCHOLOGY BOARD - 4540
For the Year Ended June 30, 2013**

	Original Budget	Final Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 19,000	19,000	15,990	(3,010)
Registration for trades and prof. licenses	186,300	186,300	117,225	(69,075)
Other current services	5,000	5,000	4,550	(450)
Other penalties	-	-	2,100	2,100
Total Revenues	210,300	210,300	139,865	(70,435)
Cash balance budgeted	530,604	530,604		
Total	\$ 740,904	740,904		
Expenditures				
Personnel services and benefits	144,100	144,100	134,469	9,631
Contractual services	13,400	13,400	6,008	7,392
Other	29,300	29,300	14,630	14,670
Other financing uses	32,800	32,800	26,384	6,416
Total Expenditures	219,600	219,600	181,491	38,109
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)			(41,626)	
Net change in fund balance			\$ (41,626)	
Reconciliation of Budgetary Basis to Fund Financial Statement				
Total budget basis expenditures for fiscal year 2013:			\$ 181,491	
Adjustments:				
Amounts expensed in FY 13 financial statements and paid out of FY14 budget			-	
Amounts expensed in FY12 financial statements and paid out of FY13 budget			-	
Rounding			-	
Total GAAP Basis Expenditures for the fiscal year ended June 30, 2013:			\$ 181,491	

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
PHYSICAL THERAPY BOARD - 4550
For the Year Ended June 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Trades and professions licenses	\$ 61,900	61,900	22,706	(39,194)
Registration for trades and prof. licenses	64,200	64,200	126,480	62,280
Trades and professions examination fees	9,000	9,000	12,500	3,500
Other current services	18,300	18,300	22,595	4,295
Other penalties	5,900	5,900	3,390	(2,510)
Interest on investment	800	-	1,668	1,668
Total Revenues	<u>160,100</u>	<u>159,300</u>	<u>189,339</u>	<u>30,039</u>
Cash balance budgeted	<u>683,282</u>	<u>683,282</u>		
Total	<u>\$ 843,382</u>	<u>842,582</u>		

Expenditures				
Personnel services and benefits	76,200	76,200	33,388	42,812
Contractual services	10,000	15,000	5,387	9,613
Other	50,000	45,000	9,188	35,812
Other financing uses	25,200	25,200	20,270	4,930
Total Expenditures	<u>161,400</u>	<u>161,400</u>	<u>68,233</u>	<u>93,167</u>

Excess (deficiency) of revenues over
expenditures (prior year cash balance
required to balance budget)

Net change in fund balance \$ 121,106

Reconciliation of Budgetary Basis to Fund Financial Statement

Total budget basis expenditures for fiscal year 2013:	\$ -
Adjustments:	
Amounts expensed in FY 13 financial statements and paid out of FY14 budget	-
Amounts expensed in FY12 financial statements and paid out of FY13 budget	-
Rounding	-
Total GAAP Basis Expenditures for the fiscal year ended June 30, 2013:	\$ <u>-</u>

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
THANATOPRACTICE BOARD - 4560
For the Year Ended June 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Trades and professions licenses	\$ 25,000	25,000	6,098	(18,902)
Registration for trades and prof. licenses	93,200	93,200	85,475	(7,725)
Trades and professions examination fees	700	-	1,200	1,200
Other current services	-	-	3,075	3,075
Other penalties	4,000	4,000	2,652	(1,348)
Interest on investment	500	-	738	738
Other publications	300	-	30	30
Total Revenues	<u>123,700</u>	<u>122,200</u>	<u>99,268</u>	<u>(22,932)</u>
Cash balance budgeted	<u>343,546</u>	<u>343,546</u>		
Total	<u>\$ 467,246</u>	<u>465,746</u>		
Expenditures				
Personnel services and benefits	\$ 92,200	86,200	73,796	12,404
Contractual services	5,700	9,400	2,677	6,723
Other	23,300	25,600	12,100	13,500
Other financing uses	23,900	23,900	19,225	4,675
Total Expenditures	<u>\$ 145,100</u>	<u>145,100</u>	<u>107,798</u>	<u>37,302</u>
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)			<u>(8,530)</u>	
Net change in fund balance			<u>\$ (8,530)</u>	
Reconciliation of Budgetary Basis to Fund Financial Statement				
Total budget basis expenditures for fiscal year 2013:			\$ 107,798	
Adjustments:				
Amounts expensed in FY 13 financial statements and paid out of FY14 budget			-	
Amounts expensed in FY12 financial statements and paid out of FY13 budget			-	
Rounding			<u>-</u>	
Total GAAP Basis Expenditures for the fiscal year ended June 30, 2013:			<u>\$ 107,798</u>	

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
INTERIOR DESIGN BOARD - 4570
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Trades and professions licenses	\$ 1,700	1,700	1,518	(182)
Registration for trades and prof. licenses	19,900	19,900	9,300	(10,600)
Other registration fees	200	-	-	-
Other current services	100	-	-	-
Other penalties	1,600	1,600	800	(800)
Total Revenues	<u>23,500</u>	<u>23,200</u>	11,618	<u>(11,582)</u>
Cash balance budgeted	<u>2,735,339</u>	<u>1,685</u>		
Total	<u>\$ 2,758,839</u>	<u>24,885</u>		
Expenditures				
Personnel services and benefits	13,100	13,250	13,083	167
Contractual services	-	-	-	-
Other	6,700	7,735	5,660	2,075
Other financing uses	3,900	3,900	3,137	763
Total Expenditures	<u>23,700</u>	<u>24,885</u>	<u>21,880</u>	<u>3,005</u>
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)			<u>(10,262)</u>	
Net change in fund balance			<u>\$ (10,262)</u>	
Reconciliation of Budgetary Basis to Fund Financial Statement				
Total budget basis expenditures for fiscal year 2013:			\$ 21,880	
Adjustments:				
Amounts expensed in FY 13 financial statements and paid out of FY14 budget			-	
Amounts expensed in FY12 financial statements and paid out of FY13 budget			-	
Rounding			<u>-</u>	
Total GAAP Basis Expenditures for the fiscal year ended June 30, 2013:			<u>\$ 21,880</u>	

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
PRIVATE INVESTIGATORS AND POLYGRAPHERS BOARD - 4590
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Trades and professions licenses	\$ 60,100	60,100	4,937	(55,163)
Registration for trades and prof. licenses	41,000	41,000	25,330	(15,670)
Other registration fees	72,000	72,000	23,795	(48,205)
Other current services	2,000	2,000	577	(1,423)
Interest on investments	-	-	756	756
Other penalties	10,000	10,000	3,985	(6,015)
Total Revenues	<u>185,100</u>	<u>185,100</u>	<u>59,380</u>	<u>(125,720)</u>
Cash balance budgeted	<u>353,770</u>	<u>353,770</u>		
Total	<u>\$ 538,870</u>	<u>538,870</u>		
Expenditures				
Personnel services and benefits	85,900	78,900	63,371	15,529
Contractual services	5,000	12,000	8,399	3,601
Other	38,200	38,200	20,905	17,295
Other financing uses	76,700	76,700	61,696	15,004
Total Expenditures	<u>205,800</u>	<u>205,800</u>	<u>154,371</u>	<u>51,429</u>
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)			<u>(94,991)</u>	
Net change in fund balance			<u>\$ (94,991)</u>	
Reconciliation of Budgetary Basis to Fund Financial Statement				
Total budget basis expenditures for fiscal year 2013:			\$ 154,371	
Adjustments:				
Amounts expensed in FY 13 financial statements and paid out of FY14 budget			-	
Amounts expensed in FY12 financial statements and paid out of FY13 budget			-	
Rounding			<u>-</u>	
Total GAAP Basis Expenditures for the fiscal year ended June 30, 2013:			<u>\$ 154,371</u>	

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
BOARD OF LANDSCAPE ARCHITECTS - 4600
For the Year Ended June 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Trades and professions licenses	\$ 4,400	4,400	2,866	(1,534)
Registration for trades and prof. licenses	24,200	24,200	29,000	4,800
Other current services	300	-	221	221
Other penalties	<u>3,000</u>	<u>3,000</u>	<u>4,000</u>	<u>1,000</u>
Total Revenues	31,900	31,600	36,087	<u>4,487</u>
Cash balance budgeted	<u>144,779</u>	<u>144,779</u>		
Total	<u>\$ 176,679</u>	<u>176,379</u>		
Expenditures				
Personnel services and benefits	\$ 17,900	15,900	15,032	868
Contractual services	500	-	-	-
Other	8,000	10,000	7,261	2,739
Other financing uses	<u>5,800</u>	<u>5,800</u>	<u>4,665</u>	<u>1,135</u>
Total Expenditures	<u>\$ 32,200</u>	<u>31,700</u>	<u>26,958</u>	<u>4,742</u>
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)			<u>9,129</u>	
Net change in fund balance			<u>\$ 9,129</u>	
Reconciliation of Budgetary Basis to Fund Financial Statement				
Total budget basis expenditures for fiscal year 2013:			\$ 26,958	
Adjustments:				
Amounts expensed in FY 13 financial statements and paid out of FY14 budget			-	
Amounts expensed in FY12 financial statements and paid out of FY13 budget			-	
Rounding			<u>-</u>	
Total GAAP Basis Expenditures for the fiscal year ended June 30, 2013:			<u>\$ 26,958</u>	

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
REAL ESTATE APPRAISERS BOARD - 4650
For the Year Ended June 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Trades and professions licenses	\$ 35,000	35,000	26,607	(8,393)
Registration for trades and prof. licenses	149,500	149,500	144,900	(4,600)
Other current services	50,000	50,000	48,575	(1,425)
Interest on investments	-	-	1,093	1,093
Other penalties	<u>4,000</u>	<u>4,000</u>	<u>8,756</u>	<u>4,756</u>
Total Revenues	<u>238,500</u>	<u>238,500</u>	<u>229,931</u>	<u>(8,569)</u>
Cash balance budgeted	<u>500,770</u>	<u>500,770</u>		
Total	<u>\$ 739,270</u>	<u>739,270</u>		
Expenditures				
Personnel services and benefits	166,900	166,900	132,016	34,884
Contractual services	11,500	11,500	29,893	(18,393)
Other	23,500	23,500	22,274	1,226
Other financing uses	<u>36,600</u>	<u>36,600</u>	<u>29,440</u>	<u>7,160</u>
Total Expenditures	<u>238,500</u>	<u>238,500</u>	<u>213,623</u>	<u>24,877</u>
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)			<u>16,308</u>	
Net change in fund balance			<u>\$ 16,308</u>	
Reconciliation of Budgetary Basis to Fund Financial Statement				
Total budget basis expenditures for fiscal year 2013:			\$ 213,623	
Adjustments:				
Amounts expensed in FY 13 financial statements and paid out of FY14 budget			-	
Amounts expensed in FY12 financial statements and paid out of FY13 budget			-	
Rounding			<u>-</u>	
Total GAAP Basis Expenditures for the fiscal year ended June 30, 2013:			<u>\$ 213,623</u>	

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
BOARD OF ACCOUNTANCY - 4660
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 21,000	21,000	16,643	(4,357)
Registration for trades and prof. licenses	452,000	452,000	353,255	(98,745)
Trades and professions examination fees	6,000	6,000	8,680	2,680
Other registration fees	-	-	-	-
Other current services	500	-	1,250	1,250
Interest on investments	800	-	1,454	1,454
Miscellaneous revenue	5,700	-	5,831	5,831
Other penalties	22,000	22,000	28,124	6,124
Total Revenues	508,000	501,000	415,237	(85,763)
Cash balance budgeted	635,154	635,154		
Total	\$ 1,143,154	1,136,154		
Expenditures				
Personnel services and benefits	306,400	316,400	302,681	13,719
Contractual services	16,600	4,600	43	4,557
Other	117,600	119,600	110,323	9,277
Other financing uses	82,600	82,600	66,442	16,158
Total Expenditures	523,200	523,200	479,489	43,711
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)			(64,252)	
Net change in fund balance			\$ (64,252)	
Reconciliation of Budgetary Basis to Fund Financial Statement				
Total budget basis expenditures for fiscal year 2013:			\$ 479,489	
Adjustments:				
Amounts expensed in FY 13 financial statements and paid out of FY14 budget			-	
Amounts expensed in FY12 financial statements and paid out of FY13 budget			-	
Rounding			-	
Total GAAP Basis Expenditures for the fiscal year ended June 30, 2013:			\$ 479,489	

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
SOCIAL WORK EXAMINERS BOARD - 4690
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Trades and professions licenses	\$ 53,900	53,900	(70,555)	(124,455)
Registration for trades and prof. licenses	262,800	262,800	250,145	(12,655)
Other current services	5,800	5,800	5,795	(5)
Interest on investments	1,200	1,200	1,414	214
Other penalties	4,300	4,300	3,375	(925)
Total Revenues	<u>328,000</u>	<u>328,000</u>	190,174	<u>(137,826)</u>
Cash balance budgeted	<u>688,345</u>	<u>688,345</u>		
Total	<u>\$ 1,016,345</u>	<u>1,016,345</u>		
Expenditures				
Personnel services and benefits	264,200	254,200	217,378	36,822
Contractual services	4,000	14,000	8,613	5,387
Other	39,200	39,200	26,507	12,693
Other financing uses	72,000	72,000	57,916	14,084
Total Expenditures	<u>379,400</u>	<u>379,400</u>	<u>310,414</u>	<u>68,986</u>

Excess (deficiency) of revenues over
expenditures (prior year cash balance
required to balance budget)

(120,240)

Net change in fund balance

\$ (120,240)

Reconciliation of Budgetary Basis to Fund Financial Statement

Total budget basis expenditures for fiscal year 2013:

\$ 310,414

Adjustments:

Amounts expensed in FY 13 financial statements and paid out of FY14 budget

-

Amounts expensed in FY12 financial statements and paid out of FY13 budget

-

Rounding

-

Total GAAP Basis Expenditures for the fiscal year ended June 30, 2013:

\$ 310,414

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
ACUPUNCTURE BOARD - 4710
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 13,000	13,000	3,224	(9,776)
Registration for trades and prof. licenses	147,000	147,000	81,145	(65,855)
Trades and professions examination fees	14,000	14,000	18,070	4,070
Other licenses and permits	2,000	2,000	2,330	330
Other current services	3,000	3,000	3,047	47
Interest on investments	-	-	929	929
Other penalties	6,500	6,500	5,830	(670)
Total Revenues	185,500	185,500	114,575	(70,925)
Cash balance budgeted	364,789	364,789		
Total	\$ 550,289	550,289		
Expenditures				
Personnel services and benefits	151,000	151,000	119,290	31,710
Contractual services	22,100	22,100	19,006	3,094
Other	21,800	21,800	11,514	10,286
Other financing uses	39,300	39,300	31,612	7,688
Total Expenditures	234,200	234,200	181,422	52,778
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)			(66,847)	
Net change in fund balance			\$ (66,847)	
Reconciliation of Budgetary Basis to Fund Financial Statement				
Total budget basis expenditures for fiscal year 2013:			\$ 181,422	
Adjustments:				
Amounts expensed in FY 13 financial statements and paid out of FY14 budget			-	
Amounts expensed in FY12 financial statements and paid out of FY13 budget			-	
Rounding			-	
Total GAAP Basis Expenditures for the fiscal year ended June 30, 2013:			\$ 181,422	

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
HUD MANUFACTURED HOUSING - 4720
For the Year Ended June 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Federal Grants	\$ 25,000	25,000	10,661	(14,339)
Other Current Services	43,500	43,500	45,250	1,750
House Trailer Inspection Fees	42,000	42,000	41,340	(660)
Other penalties	-	-	12,218	12,218
Total Revenues	<u>110,500</u>	<u>110,500</u>	109,469	(1,031)
Cash balance budgeted	<u>210,006</u>	<u>210,006</u>		
Total	<u>\$ 320,506</u>	<u>320,506</u>		
Expenditures				
Personnel services and benefits	-	55,000	31,833	23,167
Contractual services	-	-	-	-
Other	107,000	52,000	1,824	50,176
Other financing uses	<u>13,200</u>	<u>13,200</u>	<u>10,618</u>	<u>2,582</u>
Total Expenditures	<u>120,200</u>	<u>120,200</u>	<u>44,275</u>	<u>75,925</u>
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)			<u>65,194</u>	
Net change in fund balance			<u>\$ 65,194</u>	
Reconciliation of Budgetary Basis to Fund Financial Statement				
Total budget basis expenditures for fiscal year 2013:			\$ 44,275	
Adjustments:				
Amounts expensed in FY 13 financial statements and paid out of FY14 budget			-	
Amounts expensed in FY12 financial statements and paid out of FY13 budget			-	
Rounding			<u>-</u>	
Total GAAP Basis Expenditures for the fiscal year ended June 30, 2013:			<u>\$ 44,275</u>	

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
SPEECH, LANGUAGE PATHOLOGY, AND AUDIOLOGY BOARD - 4730
For the Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Trades and professions licenses	\$ 27,100	27,100	14,888	(12,212)
Registration for trades and professions licenses	120,700	120,700	151,495	30,795
Trades and professions examination fees	1,900	1,900	600	(1,300)
Other licenses and permits	-	-	-	-
Other current services	9,000	9,000	9,484	484
Interest on investments	600	-	1,008	1,008
Other penalties	6,400	6,400	11,540	5,140
Total Revenues	<u>165,700</u>	<u>165,100</u>	<u>189,015</u>	<u>23,915</u>
Cash balance budgeted	<u>372,943</u>	<u>372,943</u>		
Total	<u>\$ 538,643</u>	<u>538,043</u>		

Expenditures				
Personnel services and benefits	105,800	103,300	81,774	21,526
Contractual services	7,700	7,700	874	6,826
Other	19,400	219,000	15,261	203,739
Other financing uses	32,800	32,800	26,384	6,416
Total Expenditures	<u>165,700</u>	<u>362,800</u>	<u>124,293</u>	<u>238,507</u>

Excess (deficiency) of revenues over
expenditures (prior year cash balance
required to balance budget)

Net change in fund balance

64,722
\$ 64,722

Reconciliation of Budgetary Basis to Fund Financial Statement

Total budget basis expenditures for fiscal year 2013:	\$ 124,293
Adjustments:	
Amounts expensed in FY13 financial statements and paid out of FY14 budget	(418)
Amounts expensed in FY12 financial statements and paid out of FY13 budget	-
Rounding	-
	<u>-</u>
Total GAAP Basis Expenditures for the fiscal year ended June 30, 2013:	<u>\$ 123,875</u>

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
RESPIRATORY CARE ADVISORY BOARD - 4740
For the Year Ended June 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Trades and professions licenses	\$ 18,200	18,200	73,787	55,587
Registration for trades and professions licenses	1,000	1,000	650	(350)
Other licenses and permits	700	-	975	975
Other current services	1,200	1,200	890	(310)
Other penalty	600	-	200	200
Total Revenues	<u>21,700</u>	<u>20,400</u>	<u>76,502</u>	<u>56,102</u>
Cash balance budgeted	<u>222,849</u>	<u>222,849</u>		
Total	<u>\$ 244,549</u>	<u>243,249</u>		
Expenditures				
Personnel services and benefits	52,900	52,900	52,330	570
Contractual services	-	-	169	(169)
Other	3,500	6,670	2,989	3,681
Other financing uses	14,000	14,000	11,261	2,739
Total Expenditures	<u>70,400</u>	<u>73,570</u>	<u>66,749</u>	<u>6,821</u>
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)			<u>9,753</u>	
Net change in fund balance			<u>\$ 9,753</u>	
Reconciliation of Budgetary Basis to Fund Financial Statement				
Total budget basis expenditures for fiscal year 2013:			\$ 66,749	
Adjustments:				
Amounts expensed in FY 13 financial statements and paid out of FY14 budget			-	
Amounts expensed in FY12 financial statements and paid out of FY13 budget			-	
Rounding			<u>-</u>	
Total GAAP Basis Expenditures for the fiscal year ended June 30, 2013:			<u>\$ 66,749</u>	

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
ATHLETIC TRAINER'S BOARD - 4750
For the Year Ended June 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Budgetary Basis</u>	<u>Favorable (Unfavorable)</u>
Revenues				
Trades and professions licenses	\$ -	-	-	-
Registration for trades and professions licenses	13,800	13,800	(3,544)	(17,344)
Trades and professions examination fees	-	-	100	100
Interest on investment	-	-	232	232
Other current services	-	-	120	120
Other penalty	<u>6,200</u>	<u>6,200</u>	<u>10</u>	<u>(6,190)</u>
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>(3,082)</u>	<u>(23,082)</u>
Cash balance budgeted	<u>86,904</u>	<u>86,904</u>		
Total	<u>\$ 106,904</u>	<u>106,904</u>		
Expenditures				
Personnel services and benefits	9,800	9,800	8,696	1,104
Contractual services	-	-	43	(43)
Other	5,800	5,800	436	5,364
Other financing uses	<u>4,100</u>	<u>4,100</u>	<u>3,298</u>	<u>802</u>
Total Expenditures	<u>19,700</u>	<u>19,700</u>	<u>12,473</u>	<u>7,227</u>
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)			<u>(15,555)</u>	
Net change in fund balance			<u>\$ (15,555)</u>	
Reconciliation of Budgetary Basis to Fund Financial Statement				
Total budget basis expenditures for fiscal year 2013:			\$ 12,473	
Adjustments:				
Amounts expensed in FY 13 financial statements and paid out of FY14 budget			-	
Amounts expensed in FY12 financial statements and paid out of FY13 budget			-	
Rounding			<u>-</u>	
Total GAAP Basis Expenditures for the fiscal year ended June 30, 2013:			<u>\$ 12,473</u>	

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
NAPRAPATHY BOARD - 5350
For the Year Ended June 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Trades and professions licenses	\$ -	-	-	-
Registration fees	-	-	-	-
Other penalties	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash balance budgeted	<u>289</u>	<u>289</u>		
Total	<u>\$ 289</u>	<u>289</u>		
Expenditures				
Personnel services and benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
Other financing uses	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
expenditures (prior year cash balance required to balance budget)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash balance carryforward	<u>-</u>	<u>-</u>		
Total	<u>\$ -</u>	<u>-</u>		
Total	<u>\$ -</u>	<u>-</u>		

* This board was transferred to the New Mexico Medical Board at the beginning of the fiscal year.

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
CARNIVAL RIDE INSURANCE - 6430
For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Other licenses and permits	\$ -	-	16,950	16,950
Total Revenues	-	-	16,950	16,950
Cash balance budgeted	2,735,339	-		
Total	\$ 2,735,339	-		
Expenditures				
Other financing uses	3,400	3,400	-	3,400
Total Expenditures	3,400	3,400	-	3,400
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)			16,950	
Net change in fund balance			\$ 16,950	
Reconciliation of Budgetary Basis to Fund Financial Statement				
Total budget basis expenditures for fiscal year 2013:			\$ -	
Adjustments:				
Amounts expensed in FY 13 financial statements and paid out of FY14 budget			-	
Amounts expensed in FY12 financial statements and paid out of FY13 budget			-	
Rounding			-	
Total GAAP Basis Expenditures for the fiscal year ended June 30, 2013:			\$ -	

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
IMPAIRED DENTISTS AND DENTAL HYGIENISTS BOARD - 8760
For the Year Ended June 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Other services	\$ -	3,400	15,105	11,705
Total Revenues	<u>-</u>	<u>3,400</u>	<u>15,105</u>	<u>11,705</u>
Cash balance budgeted	<u>2,735,339</u>	<u>(3,400)</u>		
Total	<u>\$ 2,735,339</u>	<u>-</u>		
Expenditures				
Contractual	-	15,000	11,550	3,450
Total Expenditures	<u>\$ -</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)

Net change in fund balance

3,555
\$ 3,555

Reconciliation of Budgetary Basis to Fund Financial Statement

Total budget basis expenditures for fiscal year 2013:

\$ 11,550

Adjustments:

Amounts expensed in FY 13 financial statements and paid out of FY14 budget

-

Amounts expensed in FY12 financial statements and paid out of FY13 budget

-

Rounding

-

Total GAAP Basis Expenditures for the fiscal year ended June 30, 2013:

\$ 11,550

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
HOISTING OPERATORS - 2110
For the Year Ended June 30, 2013**

	Original Budget	Final Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Other services	\$ -	-	20,050	20,050
Interest on investment	-	-	292	292
Total Revenues	<u>-</u>	<u>-</u>	<u>20,342</u>	<u>20,050</u>
Cash balance budgeted	<u>122,787</u>	<u>122,787</u>		
Total	<u>\$ 122,787</u>	<u>122,787</u>		
Expenditures				
Contractual	-	-	-	-
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>20,342</u>	
Net change in fund balance			<u>20,342</u>	
Reconciliation of Budgetary Basis to Fund Financial Statement				
Total budget basis expenditures for fiscal year 2013:			\$ -	
Adjustments:				
Amounts expensed in FY 13 financial statements and paid out of FY14 budget			-	
Amounts expensed in FY12 financial statements and paid out of FY13 budget			-	
Rounding			<u>-</u>	
Total GAAP Basis Expenditures for the fiscal year ended June 30, 2013:			<u>\$ -</u>	

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
SIGN LANGUAGE SERVICES BOARD - 2011
For the Year Ended June 30, 2013**

	Original Budget	Final Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 2,000	2,000	5,107	3,107
Registration for trades and professions licenses	2,000	2,000	2,575	575
Other current services	-	-	44	44
Other financing sources	25,000	25,000	25,000	-
Interest on investments	-	-	766	766
Other penalties	-	-	240	240
Total Revenues	29,000	29,000	33,732	4,732
Cash balance budgeted	<u>376,044</u>	<u>376,044</u>		
Total	\$ 405,044	405,044		
Expenditures				
Personnel services and benefits	80,000	80,000	74,722	5,278
Contractual services	11,000	11,000	1,493	9,507
Other	38,800	38,800	11,502	27,298
Other financing uses	22,300	22,300	17,941	4,359
Total Expenditures	152,100	152,100	105,658	46,442
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)			(71,926)	
Net change in fund balance			\$ (71,926)	
Reconciliation of Budgetary Basis to Fund Financial Statement				
Total budget basis expenditures for fiscal year 2013:			\$ 105,658	
Adjustments:				
Amounts expensed in FY 13 financial statements and paid out of FY14 budget			-	
Amounts expensed in FY12 financial statements and paid out of FY13 budget			-	
Rounding			-	
Total GAAP Basis Expenditures for the fiscal year ended June 30, 2013:			\$ 105,658	

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
ANIMAL SHELTERING SERVICES BOARD - 2012
For the Year Ended June 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Trades and professions licenses	\$ -	-	3,610	3,610
Registration for trades and professions licenses	-	-	7,900	7,900
License Plates	4,600	4,600	-	(4,600)
Interest on investment	-	-	611	611
General Fund Appropriation	28,800	28,800	28,800	-
Total Revenues	<u>33,400</u>	<u>33,400</u>	<u>40,921</u>	<u>7,521</u>
Cash balance budgeted	<u>270,077</u>	<u>270,077</u>		
Total	<u>\$ 303,477</u>	<u>303,477</u>		
Expenditures				
Personnel services and benefits	57,600	57,600	45,402	12,198
Contractual services	23,200	23,200	81	23,119
Other	5,900	5,900	3,024	2,876
Other financing uses	19,700	19,700	15,846	3,854
Total Expenditures	<u>106,400</u>	<u>106,400</u>	<u>64,353</u>	<u>42,047</u>

Excess (deficiency) of revenues over
expenditures (prior year cash balance required
to balance budget)

(23,432)

Net change in fund balance

\$ (23,432)

Reconciliation of Budgetary Basis to Fund Financial Statement

Total budget basis expenditures for fiscal year 2013:

\$ 64,353

Adjustments:

Amounts expensed in FY 13 financial statements and paid out of FY14 budget

-

Amounts expensed in FY12 financial statements and paid out of FY13 budget

-

Rounding

-

Total GAAP Basis Expenditures for fiscal year ended June 30, 2013:

\$ 64,353

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
As of June 30, 2013**

	4350	4360	4370	4380	8080	
	FID	MHD	CID	SEC	Alcohol and	
	Receipts	Receipts	Receipts	Receipts	Gaming	Total
	Receipts	Receipts	Receipts	Receipts	Receipts	
Assets						
Interest in state treasurer general fund investment pool	\$ 13,816	217,828	1,551,684	348,740	63,363	2,195,431
Total Assets	<u>13,816</u>	<u>217,828</u>	<u>1,551,684</u>	<u>348,740</u>	<u>63,363</u>	<u>2,195,431</u>
Liabilities						
Accounts payable	\$ -	55	1,717	-	3,450	5,222
Due to Other Funds	-	-	-	-	-	-
Other liabilities	-	204,013	1,415,663	-	155	1,619,831
Due to state general fund	13,816	13,760	134,304	348,740	59,758	570,378
Total Liabilities	<u>\$ 13,816</u>	<u>217,828</u>	<u>1,551,684</u>	<u>348,740</u>	<u>63,363</u>	<u>2,195,431</u>

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES-AGENCY FUNDS
As of June 30, 2013

	Balance			Balance
FID RECEIPTS- 4350	2012	Additions	Deletions	2013
Assets				
Interest in State Treasurer General Fund Investment Pool	\$ 1,510	6,462,275	(6,449,970)	13,816
Total Assets	\$ 1,510	6,462,275	(6,449,970)	13,816
Liabilities				
Accounts Payable	\$ 350	4,419	(4,769)	-
Due to State General Fund	1,160	6,457,856	(6,445,201)	13,816
Total Liabilities	\$ 1,510	6,462,275	(6,449,970)	13,816
MHD RECEIPTS- 4360				
Assets				
Interest in State Treasurer General Fund Investment Pool	\$ 115,245	1,656,569	(1,553,986)	217,828
Total Assets	\$ 115,245	1,656,569	(1,553,986)	217,828
Liabilities				
Accounts Payable	\$ 55	1,615	(1,615)	55
Other Liabilities	64,471	178,329	(38,787)	204,013
Due to Other Funds	-	-	-	-
Due to State General Fund	50,719	1,476,625	(1,513,584)	13,760
Total Liabilities	\$ 115,245	1,656,569	(1,553,986)	217,828
CID RECEIPTS- 4370				
Assets				
Interest in State Treasurer General Fund Investment Pool	\$ 852,798	6,310,830	(5,611,943)	1,551,684
Total Assets	\$ 852,798	6,310,830	(5,611,943)	1,551,684
Liabilities				
Accounts Payable	\$ 786	16,659	(15,728)	1,717
Due to Other Funds	-	-	-	-
Other Liabilities	406,907	1,309,171	(300,415)	1,415,663
Due to State General Fund	445,105	4,985,000	(5,295,800)	134,304
Total Liabilities	\$ 852,798	6,310,830	(5,611,943)	1,551,684
SEC RECEIPTS -4380				
Assets				
Interest in State Treasurer General Fund Investment Pool	\$ 40,420	22,548,005	(22,239,685)	348,740
Due From other State Agencies	3,400	-	(3,400)	-
Total Assets	\$ 43,820	22,548,005	(22,243,085)	348,740
Liabilities				
Accounts Payable	\$ 350	675	(1,025)	-
Due to State General Fund	43,470	22,547,330	(22,242,060)	348,740
Total Liabilities	\$ 43,820	22,548,005	(22,243,085)	348,740
ALCOHOL AND GAMING RECEIPTS -8080				
Assets				
Interest in State Treasurer General Fund Investment Pool	\$ 13,430	4,768,225	(4,718,137)	63,363
Total Assets	\$ 13,430	4,768,225	(4,718,137)	63,363
Liabilities				
Accounts Payable	\$ 1,450	7,615	(5,460)	3,450
Other Liabilities	155	-	-	155
Due to State General Fund	11,825	4,760,610	(4,712,677)	59,758
Total Liabilities	\$ 13,430	4,768,225	(4,718,137)	63,363
ALL AGENCY FUNDS				
Assets				
Interest in State Treasurer General Fund Investment Pool	\$ 1,023,403	41,745,904	(40,573,721)	2,195,431
Due From other State Agencies	3,400	-	(3,400)	-
	\$ 1,026,803	41,745,904	(40,577,121)	2,195,431
Liabilities				
Accounts Payable	\$ 2,991	30,983	(28,597)	5,222
Due to Other Funds	-	-	-	-
Other Liabilities	471,533	1,487,500	(339,202)	1,619,831
Due to State General Fund	552,279	40,227,421	(40,209,322)	570,378
	\$ 1,026,803	41,745,904	(40,577,121)	2,195,431

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
SCHEDULE OF CASH ACCOUNTS
For the Year Ended June 30, 2013**

<u>Fund Name</u>	<u>Fund Type</u>	<u>Fund Number</u>	<u>Interest Bearing</u>	<u>Type of Account</u>	<u>Balance at June 30, 2013</u>
General Fund					
NM State Treasurer	General	4330	YES	State Treasury	\$ 1,625,337
Other Cash	Imprest	4330	NO	Imprest	2,100
Petty cash/Other cash	Imprest	4330	NO	Imprest	395
Total General Fund cash					<u>1,627,832</u>
Special Revenue Fund					
Securities Education	Special Revenue	0440	YES	State Treasury	2,663,617
Vehicle Replacement	Special Revenue	2960	NO	State Treasury	-
Real Estate Recovery	Special Revenue	2970	YES	State Treasury	292,134
FID Revolving Fund	Special Revenue	3720	NO	State Treasury	-
CID Revolving Fund	Special Revenue	3730	NO	State Treasury	138,235
Barber and Cosmetology	Special Revenue	4390	NO	State Treasury	2,436,569
Athletic Commission	Special Revenue	4410	NO	State Treasury	302,320
Massage Therapists	Special Revenue	4420	NO	State Treasury	437,608
Counselors and Therapists	Special Revenue	4440	YES	State Treasury	861,183
Real Estate Education and Training	Special Revenue	4450	YES	State Treasury	110,875
Chiropractic Examiners	Special Revenue	4460	NO	State Treasury	694,289
Dental	Special Revenue	4470	NO	State Treasury	1,069,822
Nutrition and Dietetics	Special Revenue	4480	NO	State Treasury	141,327
Nursing Home Administration	Special Revenue	4490	NO	State Treasury	102,967
Occupational Therapy	Special Revenue	4500	NO	State Treasury	421,158
Optometry	Special Revenue	4510	NO	State Treasury	334,957
Osteopathic Examiners	Special Revenue	4520	NO	State Treasury	617,204
Podiatry	Special Revenue	4530	NO	State Treasury	142,786
Psychologist Examiners	Special Revenue	4540	NO	State Treasury	576,331
Physical Therapist	Special Revenue	4550	YES	State Treasury	855,033
Thanatopractice	Special Revenue	4560	YES	State Treasury	354,175
Interior Design	Special Revenue	4570	NO	State Treasury	53,258
Private Investigation & Polygraph	Special Revenue	4590	YES	State Treasury	286,180
Landscape Architects	Special Revenue	4600	NO	State Treasury	159,233
Pharmacy	Special Revenue	4640	NO	State Treasury	2,735,786
Pharmacy	Imprest	4640	NO	Imprest	-
Real Estate Appraisers	Special Revenue	4650	YES	State Treasury	543,495
Real Estate Appraisers	Imprest	4650	NO	Imprest	500
Accountancy	Special Revenue	4660	YES	State Treasury	666,164
Accountancy	Imprest	4660	NO	Imprest	48
Real Estate Commission	Special Revenue	4670	NO	State Treasury	1,463,791
Real Estate Commission	Imprest	4670	NO	Imprest	100
Social Workers	Special Revenue	4690	YES	State Treasury	683,115
Acupuncture	Special Revenue	4710	YES	State Treasury	363,116
HUD Manufactured Housing	Special Revenue	4720	NO	State Treasury	296,481
Speech Language & Audio	Special Revenue	4730	YES	State Treasury	504,828
Respiratory Care Advisory	Special Revenue	4740	NO	State Treasury	173,015
Athletic Trainers	Special Revenue	4750	YES	State Treasury	100,515
Naprapathy	Special Revenue	5350	NO	State Treasury	289
Carnival Ride Insurance	Special Revenue	6430	NO	State Treasury	119,900
Impaired Dentists	Special Revenue	8760	NO	State Treasury	69,195
ARRA	Special Revenue	8900	NO	State Treasury	902
Hoisting Operators	Special Revenue	2110	YES	State Treasury	143,142
Sign Language Services	Special Revenue	2011	YES	State Treasury	300,195
Animal Sheltering Services	Special Revenue	2012	YES	State Treasury	255,958
Mortgage Regulatory	Special Revenue	1066	YES	State Treasury	3,073,527
FID Settlement Proceeds	Special Revenue	1155	YES	State Treasury	<u>1,000,000</u>
Total Special Revenue Funds					<u>25,545,323</u>
Total General Fund and Special Revenue Funds					<u>27,173,155</u>
Fiduciary Fund					
FID Receipts Fund	Fiduciary	4350	NO	State Treasury	13,816
MHD Receipts	Fiduciary	4360	NO	State Treasury	217,828
CID Receipts Fund	Fiduciary	4370	NO	State Treasury	1,551,684
SEC Receipts Fund	Fiduciary	4380	NO	State Treasury	348,740
Alcohol and Gaming Receipts	Fiduciary	8080	NO	State Treasury	63,363
Total Fiduciary Funds					<u>2,195,431</u>
					<u>\$ 29,368,586</u>

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

Mr. 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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons for the general fund and major special revenue funds and the fiduciary funds of the State of New Mexico Regulation and Licensing Department (Department) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements, and the combining and individual funds and related budgetary comparisons of the Department and the related budgetary comparison of the Department, presented as supplemental information, and have issued our report thereon dated February 17, 2014.

Internal Control Over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We

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

February 17, 2014

consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses: 12-02, 13-04, and 13-07.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies: 06-06, 13-03 13-06 and 13-08.

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 are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items: 06-06, 12-02, 13-01, 13-02, 13-04, 13-05, 13-07, through 13-11.

The Department's Response To The Findings

The Department's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Department's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of This Report

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



Hinkle + Landers, PC
Albuquerque, New Mexico
February 17, 2014

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
SCHEDULE OF FINDINGS AND RESPONSES
For The Year Ended June 30, 2013**

Findings	Status of Current and Prior Year Findings	Financial Statement Finding	Material Weakness	Significant Deficiency	State Compliance/O ther Matter
06-06-Approve and Test Disaster Recovery Plan	Modified	Yes	No	Yes	Yes
12-01-Cell Phone Use Monitoring	Resolved	No	No	No	Yes
12-02-Revenue Recognition/Prepaid Construction Permits and Licensing Fees	Modified	Yes	Yes	No	Yes
12-03-Asset Disposal Requirements	Resolved	No	No	No	Yes
13-01-Reversion Not Made Timely To State General Fund	Current	No	No	No	Yes
13-02-Controls Over Travel And Per Diem	Current	No	No	No	Yes
13-03-Accounts Payable	Current	Yes	No	Yes	No
13-04-Financial Close And Reporting	Current	Yes	Yes	No	Yes
13-05-Controls Over State Issued Gas Credit Card	Current	No	No	No	Yes
13-06-Lack Of Support For Journal Entries	Current	Yes	No	Yes	No
13-07-Lack Of Cash Reconciliation Process	Current	Yes	Yes	No	Yes
13-08-Internal Controls -Disbursements	Current	Yes	No	Yes	Yes
13-09-Budget Funds Not Tracked Against Proper Fiscal Year	Current	No	No	No	Yes
13-10-Recording Receipts On Behalf Of Other Entities	Current	No	No	No	Yes
13-11-Late Audit Report	Current	No	No	No	Yes

FINDINGS AND RESPONSES

06-06—APPROVE AND TEST DISASTER RECOVERY PLAN

Type of Finding: Significant Deficiency/State Compliance

Statement of Condition

The Department 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.

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
SCHEDULE OF FINDINGS AND RESPONSES
For The Year Ended June 30, 2013**

Recommendation

We recommend that the Department's management review, finalize, and approve the Disaster Recovery Plan.

Management Response

The Department is working with the Department of Information Technology (DoIT) to pursue a platform as a service proposal. If approved by both parties, the platform will include housing the disaster recovery site at DoIT. If this is not approved, the alternative plan will be for the Department to purchase a SAN and utilize its own equipment at the Toney Anaya building. The disaster recovery plan will be circulated to the Superintendent, Legal Counsel, and Directors for review and approval. IT will determine a plan to test the disaster recovery site.

**12-02—REVENUE RECOGNITION/PREPAID CONSTRUCTION PERMITS
AND LICENSING FEES (Repeated and Expanded)**

Type of Finding: Material Weakness/State Compliance

Statement Condition

The Department has historically applied a methodology where revenue recognition for licensing fees matches the licensing period and thus the associated expenditures.

Based on the Department's methodology and revenue recognition policies, we found that the Department did not properly calculate and did not record licensing fees revenues at the year-end as deferred/unearned revenue. The various boards and commissions receive license revenue through the year based on license due dates. The licenses may or may not be for a one to three year period. Any license revenue receive that is not related to FY13 is considered unearned revenue. The deferred/unearned revenue is calculated by the number of days in each year the license revenue is related to. Based on this methodology, a proposed audit adjustment in the amount of \$1,486,502 was recorded to increase the unearned revenue balance.

Upon final analytical review of unearned revenue balances and revenue presented in the current year and in prior years, it does not appear that the Department's methodology as noted above for recognizing unearned revenue and revenue can be relied on. Based on this analysis, the auditors have qualified their independent auditor's opinion on the Department's financial statements related to unearned revenue and revenue.

In addition, the Department has not did not properly did not accurately identify and record prepaid amounts received for construction permits. The dollar value of the adjustment to prepaid permits identified and recorded as of June 30, 2013 was \$516,535.

Criteria

According to GASB Statement No. 11, revenues should be recorded in governmental fund financial statements in the period in which they are both measurable and available. When an asset is recorded in a governmental fund financial statement but the revenue is not available, the government will record a deferred inflow of resources until the revenue is available. Deferred revenues are recognized in the appropriate period when the conditions requiring deferral are no longer present.

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REGULATION AND LICENSING DEPARTMENT
SCHEDULE OF FINDINGS AND RESPONSES
For The Year Ended June 30, 2013**

Citizens or others pay user fees as charges for specific goods or services. Revenues from user fees should be recognized in the period earned, regardless of when cash is received. Revenues from some user fees are earned at the time they are collected. Revenues from other user fees, however, are not earned at the time they are collected

1100–Summary Statement of Principles, section .109–Government-Wide Financial Statements states “The government-wide statement of net position and the statement of activities should be prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions should be recognized when the exchange takes place”. GASB 1200 – Generally Accepted Accounting Principles (GAAP) and Legal Compliance, section .102 states “Adherence to GAAP is essential to assuring a reasonable degree of comparability among the financial reports of state and local governmental units. Governmental accounting systems thus must provide data that permit reporting on the financial status and operations of a government in conformity with GAAP”.

Per 2.2.2.10(E) of the NM State Auditor Rule, “The financial statements and notes to the financial statements shall be prepared in accordance with accounting principles generally accepted in the United States of America. Governmental accounting principles are identified in the Codification of Governmental Accounting and Financial Reporting Standards (GASB)”.

Effect

The Department’s revenue and unearned revenue may be materially misstated by the same offsetting amounts. The present methodology may impact the Department’s ability to create accurate budgets for its boards and commissions and other programs.

Cause

The Department’s methodology and tools for tracking earned and unearned revenue do not appear to be adequate to comply with the accounting standards.

Personnel in the Construction Industries and Manufactured Housing Division did not disclose adequately to the Department the existence of contractors prepaying for permits. Additionally, the system used to track permits issued was deficient in producing the data necessary to properly track prepaid amounts.

Recommendation

We recommend the Department design and implement the proper tools and software to identify and track the collection of revenue and recognize revenue according to accounting principles generally accepted in the United States of America.

Management Response

The Department is actively identifying methods to resolve this finding by identify prepaid receipts and the charges against them in order to reduce the booked liability and increase the revenue once recognized. In order to properly record prepaid deposits, all are now posted to the deferred revenue liability account. Every month, ASD will run a report from the system to identify charges against these prepaid accounts and prepare a journal entry to reduce the liability and increase revenue as it is recognized and post it as Due to State General Fund. These steps will ensure monies received are deposited to the

**STATE OF NEW MEXICO
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SCHEDULE OF FINDINGS AND RESPONSES
For The Year Ended June 30, 2013**

General Fund when services have been rendered and prepaid account balances are adequately monitored.

In addition, the Department is working with a contractor to implement a replacement system in 2014. The new system will have the ability to properly identify prepaid accounts and the future revenue recognition against those accounts. Daily reports will be made available to RLD staff to properly book the correct accounting.

The Department is working aggressively to reduce and/or eliminate the problem during FY14.

13-01—REVERSION NOT MADE TIMELY TO STATE GENERAL FUND

Type of Finding: Other Matter/ State Compliance

Statement of Condition:

The Department 2013 estimated reversion (approximately \$912,925) due to the State General Fund was not transferred by the September 30 deadline to the State General Fund.

Criteria

Per the State Auditor Rule 2.2.2.12 A. Pertaining To Audits Of State Agencies Section (6) Reversions To The State General Fund “Section 6-5-10, NMSA 1978 requires “all unreserved, undesignated fund balances in reverting funds and accounts as reflected in SHARE as of June 30, shall revert as of September 30, to the State General Fund. The Department may adjust the reversion within forty-five days of release of the audit report for that fiscal year.” Failure to transfer reverting funds in compliance with the statute requires an audit finding.”

Effect

The Department is not in compliance with the State Statute and State Auditor Rule.

Cause

The Department did not make the transfer of funds.

Recommendation

We recommend that the Department be aware of how much it needs to revert based on its analysis of its financials and comply with the State Statutes and State Auditor Rule noted in the “Criteria” above.

Management Response

The Administrative Services Division (ASD) experienced several key resignations during late spring and summer – during the period of time the year end procedures are taking place. The resignations included both the Chief Financial Officer (CFO) and the Administrative Services Director. The Administrative Services Division (ASD) as a whole had a vacancy rate of approximately fifty per cent. This has been resolved to some extent; ASD has hired a Director, CFO and a Budget Director. The division plans to hire several other positions in the upcoming months. ASD is working to develop/improve and implement processes for the agency’s financial transactions.

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For The Year Ended June 30, 2013**

The Department is aggressively working to identify the appropriate and necessary functions to implement a monthly closeout process which will assist with identifying the necessary journal entries at month end and at fiscal year close to transfer the reversion as required the audit rule and DFAs year-end closing instructions. This should not be a recurring problem in FY14.

13-02—CONTROLS OVER TRAVEL AND PER DIEM

Type of Finding: State Compliance

Statement of Condition:

The Department has not designed controls over travel and per diem related to the \$1,500 rule as described below under “criteria”.

Criteria

Per section 10-8-5(1) NMSA 1978, a state employee may not be reimbursed more than \$1,500, singly or in the aggregate, in any one year “until the person furnishes in writing to his department head or, in the case of a department head or board or commission member, to the governor, or in the case of a member of the legislature, to the New Mexico legislative council an itemized statement on each separate instance of travel covered within the reimbursement, the place to which traveled and the executive, judicial or legislative purpose served by the travel.”

Effect

The Department is not in compliance with the State Statute and appears to be at risk for waste, fraud and abuse in this area.

Cause

The Department did not keep the necessary ledgers to identify when traveling employees, board and committee members would exceed the \$1,500 threshold.

Recommendation

We recommend the Department design and implement controls to ensure that the Department is in compliance with the State Statute and other requirements noted above under “Criteria” of this finding.

Management Response

The Department will implement internal controls to help identify these thresholds and when to seek the prior approval for traveling employees, board and committee members. This should not be a recurring problem in FY14.

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REGULATION AND LICENSING DEPARTMENT
SCHEDULE OF FINDINGS AND RESPONSES
For The Year Ended June 30, 2013**

13-03—ACCOUNTS PAYABLE

Type of Finding: Significant Deficiency

Statement of Condition:

The Department reports on its trial balance \$353,227 in accounts payable outstanding as of the year ended June 30, 2013. (\$348,005 in the governmental funds and \$5,222 in the agency funds). The Department could only produce a manually created accounts payable vendor list totaling up to \$267,113 and attempts to produce an accounts payable list from SHARE were not successful during the audit.

Criteria

Support for significant balance sheet amounts is one of the cornerstones of accounting.

Effect

The Department cannot supply support for a significant amount of outstanding payables in order to agree with the Departments trial balance.

Cause

The Department booked \$353,227 to account #201900 (Vouchers Payable). The intent was to reduce the liability established in FY12 to pay for invoices for goods and services received before June 30, 2012. However a sampling of the journal and the related vouchers demonstrates that the Department posted the journal to Bud Ref 113 instead of Bud Ref 112 (which is where the liability was established).

Recommendation

We recommend the Department institute procedures to ensure there is adequate support for accounts payables by vendor for its year end.

Management Response

The Department will hire a general ledger accountant to help book accounting entries correctly and make adjustments as needed once it establishes a monthly closeout process. The Department will also comply with the State of New Mexico Manual of Model Accounting Practices Unit 1.02 (last updated 2010).

13-04—FINANCIAL CLOSE AND REPORTING

Type of Finding: Material Weakness/State Compliance

Statement of Condition:

The Department has not implemented an effective financial close and reporting process controls for the year ended June 30, 2013. The financial close should include but not be limited to:

- Identifying all sources of financial and non-financial data (routine and non-routine events and transactions) that will be needed in order to maintain and systematically adjust the Department's general ledger.
- Establishing and implementing procedures and records to initiate, authorize, record process, correct, transfer to the general ledger, and report the Departments transactions.
- Monitoring assigned personnel are completing their task timely and accurately.

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For The Year Ended June 30, 2013**

Criteria

There are several key underlying accounting standards related to an organization designing and implementing an effective financial close and reporting process. Auditors are required to identify and communicate internal weaknesses according to “Statement On Auditing Standards (SAS) 115 Communication of Internal Control Related Matters Identified in an Audit”. The following are a few concepts associated with this standard:

- The auditor cannot be part of a client’s internal control because becoming part of a client’s internal control impairs auditor independence;
- The auditor’s work is independent of the client’s internal control over financial reporting, and the auditor cannot be a compensating control for the client; and
- A system of internal control over the financial reporting does not stop at the general ledger – it includes controls over the presentation of the financial statements.

The Financial Close is considered a significant process of internal control and should be performed by the Department staff.

Effect

The Department’s was not ready for its audit in a timely manner and it resulted in a significant number of material adjustments and audit findings

Cause

The Administrative Services Division (ASD) experienced several key resignations during late spring and summer – during the period of time the year end procedures are taking place.

Recommendation

We recommend the Department institute procedures to ensure there is a proper monthly/quarterly and year-end/financial close to its accounts.

Management Response

ASD has hired key positions including a CFO. The CFO is working diligently to develop processes and train both seasoned and new employees on process controls to ensure this will not be a recurring problem in FY14. The CFO is working to establish internal policies to implement a monthly closeout process to help the Department work towards with complying with DFAs year-end fiscal year closeout procedures.

13-05—CONTROLS OVER STATE ISSUED GAS CREDIT CARD

Type of Finding: State Compliance

Statement of Condition

We reviewed five months of Wright Express fuel card (WEX) statements for five separate Licenses during the fiscal year with total expenditures amounting to \$937.60, the transactions were examined for compliance with applicable New Mexico statues. As a result of that review, we noted Department’s purchases dated 12/04/12 and 12/13/2012 in the total amount of \$134.25 included Unleaded Plus type fuel; the Department was unable to provide receipts for gas a purchase dated 02/20/13 in the amount of \$45.09; and vehicle logs were not provided as supporting documentation for four out of five month. Therefore, auditors were unable to determine the business purposes of the trips and whether the gas cards were used for official business only. In addition, there was no

**STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
SCHEDULE OF FINDINGS AND RESPONSES
For The Year Ended June 30, 2013**

evidence that vehicle logs are being maintained, monitored and signed off on and reconciled to the statements to ensure that the cards are not being misused.

Criteria

Per 1.5.4.12., State of New Mexico credit cards shall be used only for official business and only to furnish state-owned vehicles with: A. regular gasoline; B. unleaded gasoline; C. diesel fuel; D. lubrication motor oil; F. car wash; and G. emergency purchases not exceeding \$100.00 in total. Per NMAC 1.5.3.19, the state agency shall seek reimbursement from employees who make unauthorized purchases on the state fuel credit card.

Cause

The employee who acted in the role of Fleet Manager/Coordinator resigned leaving the position vacant for several months.

Effect

Inadequate internal oversight can heighten the potential for fraud or misappropriation of public funds.

Recommendation

The Department may consider implementing a written policy to avoid unauthorized purchases made using the Wright Express Fuel Cards, in accordance with statutory requirements. In addition, the department should implement regular monitoring of purchases made with the fuel cards and require supporting documentation for purchases made should be remitted to the liaison at the time the vehicle is returned. The Department should document inquiries and explanations for transactions which appear to be in violation of policy. Reimbursement for all unauthorized purchases should be documented with the Fleet Coordinator.

Management's Response

The agency hired a temporary employee to oversee and ensure guidelines stipulated by the Transportation Services Division at GSD are being followed and act as the WEX card administrator. The position will be filled by a permanent full time employee by March 1, 2014. The internal controls will be assessed during FY14 and proper auditing, reporting and oversight of these controls will be implemented.

13-06—LACK OF SUPPORT FOR JOURNAL ENTRIES

Type of Finding: Significant Deficiency

Statement of Condition

During our review of twenty five journal entries, twenty transactions did not have supporting documentation. Auditors were unable to test the adequacy of journal entries for the year ended 6/30/13 to ensure they are properly approved and contain sufficient supporting documentation.

Criteria

Internal controls should be designed and implemented to ensure that adjustments to the Department's books and are based on accurate information and can be relied on to be correct. As part of the procedures related to journal entries, there should be supporting

**STATE OF NEW MEXICO
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For The Year Ended June 30, 2013**

documentation that includes the reason for the adjustment, and approvals and authorization for journal entries.

Cause

The Administrative Services Division (ASD) experienced several key resignations during late spring and summer – during the period of time the year end procedures are taking place. The Department was unable to locate the supporting documentation for the journal entries.

Effect

Inadequate internal oversight can heighten the potential for errors or even fraud in the Department's general ledger.

Recommendation

The Department should design and implement policies related to journal entries to ensure all supporting documentation exists.

Management's Response

ASD has hired key positions including a CFO. The CFO is working diligently to develop internal controls and recordkeeping in order to produce supporting documentation for all financial processes including all journal entries. This should not be a recurring problem in FY14.

13-07—LACK OF CASH RECONCILIATION PROCESS

Type of Finding: Material Weakness/State Compliance

Statement of Condition

Based on our performed walkthroughs, there appears to be insufficient segregation of duties and other cash reconciliation issues as noted below:

- The Department does not perform timely reconciliations for amounts held at the State Treasury Office (STO). Auditors were unable to obtain documentation supporting the implementation and effectiveness of the reconciliation process for these amounts.
- The Person receiving the cash, enters transactions into SHARE also reconciles the cash
- Subsidiary ledgers are not reconciled to the general ledger
- Three out of ten petty cash drawers/bags were not reconciled at year end.

Criteria

The NMSA 2.20.5.8 Accounting by Governmental entities, Responsibility for accounting function requires that cash account records are reconciled timely each month to the division's reports and to the state treasurer's reports. Effective internal controls and procedures require timely and accurate reconciliation to ensure cash transactions completely and accurately recorded in general ledger.

Effect

The Department was not in compliance with the NM State statute. There is an increased risk that errors or fraud can go undetected.

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Cause

The Department did not have strong cash handling procedures in place that would have identified the importance of manually counting all cash on hand twice daily.

Recommendation

We recommend the Department implement policies and procedures regarding cash reconciliation. Reconciliations quickly identify errors and needed corrections. If reconciliations are not performed infrequently, errors and adjustments can go undetected, resulting in the need for significant corrections when the reconciliations are performed. Any reconciling differences should be corrected before the books are closed for the month end. We also recommend that the Department work with DFA and STO to ensure that implemented internal controls are working properly and are effective.

Management's Response

The Department is aggressively implementing strong cash handling procedures that require all cash on hand to be counted twice daily. During FY14, the Department will reduce the amount of cash on hand in order to reduce risk to employees and the Department. Procedures will be implemented to minimize the acceptance of cash for payment of its multiple licenses, permits and fees it collects daily and move to expand the acceptance of credit card payments, check, cashier check and money order.

13-08—INTERNAL CONTROLS- DISBURSEMENTS

Type of Finding: **Significant Deficiency/State Compliance**

Statement of Condition

During our review of forty seven disbursements, the transactions were examined for internal controls over payments including several significant payments. Payments were also were examined for compliance with applicable statutes. As a result of this review, we noted the following:

- Reviewed 3 vouchers, voucher 1 in the amount of \$268.50, voucher 2 in the amount of \$68,651.0 and voucher 3 totaling \$37,583.50, which did not have adequate authorizations for payment.
- Another voucher totaling \$271.97 had a purchase order dated 07/24/13 which is after the date of the paid invoice dated 07/15/2013.

Criteria

State of New Mexico Manual of Model Accounting Practices Unit 1.02 (last updated 2010), Department policies and procedures and good accounting practices require that transactions be properly documented and authorized. Strong internal controls require that disbursement approval controls are in place to deter and detect fraud.

Effect

The Department does not appear to have internal oversight over the disbursements and is at a higher risk of fraudulent transaction and financial reporting errors occurring.

Cause

The Department was not ensuring that all disbursements have appropriate authorizations prior to payment issued. Lapses in internal control process or lack of

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internal control procedures appear to have allowed these disbursements without adherence to policies and procedures.

Recommendation

Management should develop and implement policies and controls regarding authorization of payments. This function will ensure that an authorized person is paying attention to purchases made and payments out of the Department and that those disbursements are within the department's budget. Furthermore, some unbudgeted purchases may require additional approval.

Management Response

The CFO will develop adequate internal controls to include proper documentation and approval that comply with the State of New Mexico Manual of Model Accounting Practices Unit 1.02 (last updated 2010).

13-09—BUDGET FUNDS NOT TRACKED AGAINST PROPER FISCAL YEAR

Type of Finding: State Compliance

Statement of Condition

We identified accounts payable/expenditures from the fiscal year 2012 that were not presented correctly in the prior year audited financial statements. The amount was \$27,008 that affected 25 funds of the Department in fiscal year 2012. All amounts were immaterial to the funds but did not appear to meet state compliance rules.

Criteria

Per Section 6-10-4 NMSA 1978, the “actual” expenditures in the budgetary comparison exclude any accounts payable that were not paid timely and therefore required a request to DFA to pay prior year bills out of current year budget. They will be paid out of the budget of the following fiscal year. An agency’s reversions should be calculated using the budgetary basis expenditures because the agency does not have the legal right to keep the cash related to accounts payable that were not paid timely. This will result in a negative fund balance in the modified accrual basis financial statements of a reverting fund.

Effect

Agency payables were underestimated by an immaterial amount and may have affected the FY 2012 reversion to the State General Fund. This underestimated amount of reversion is expected to be properly adjusted when the FY 2013 reversion to the State General Fund is calculated.

Cause

The Department did not have proper internal controls in place to determine the proper amount of accounts payable. The Department did not have a reconciliation process to identify this issue.

Recommendation

It is recommended that the Department provide this information to the auditors who compile the audited financials for the Department and then it is recommended that the Department review the compiled audit report for accuracy.

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Management Response

The Department will work to ensure that appropriate classification of future accounts payable are recorded accurately against the appropriate fiscal year. With the implementation of a monthly close, the department will appropriately determine that the liability of these accounts is greatly minimized. This should not be an audit finding for FY14.

13-10—RECORDING COLLECTION ON BEHALF OF OTHER ENTITIES

Type of Finding: State Compliance

Statement of Condition

The Department acts as an agent and collects funds from the New Mexico Taxation and Revenue Department related to license plates fees. These funds are then remitted to the appropriate municipalities and counties on a periodic basis. During the fiscal year 2013 these funds were recorded as revenue rather than as liabilities. The amounts collected in FY 13 were \$10,750. The amount outstanding was reclassified to liabilities as a proposed audit adjustment.

Criteria

Title 2, Chapter 20 Part 5 Accounting by Governmental Entities Responsibility for Accounting Function requires that the Department ensure that the model accounting practices, established by the division, are followed. The model accounting practices include but are not limited to ensuring that an internal control structure exists at the state agency and is functioning properly and that all transactions are properly classified in the agency's records.

Effect

Revenue was overstated by the collections and liabilities were understated.

Cause

The Department has not appropriately tracked the amounts held for other on a timely basis.

Recommendation

We recommend the Department implement tracking method and related controls related to the revenue recognition to adequately account for license fees unearned balances. It is also recommended that the Department implements process and procedures for financial close out.

Management Response

The Department will work to implement a process and procedures to identify amounts that are held for others and classify it appropriately.

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REGULATION AND LICENSING DEPARTMENT
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For The Year Ended June 30, 2013**

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Revenue was overstated by the collections and liabilities were understated.

Cause

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Recommendation

We recommend the Department implement tracking method and related controls related to the revenue recognition to adequately account for license fees unearned balances. It is also recommended that the Department implements process and procedures for financial close out.

Management Response

The Department will work to implement a process and procedures to identify amounts that are held for others and classify it appropriately.

13-11—LATE AUDIT REPORT

Type of Finding: State Compliance

Statement of Condition

The audit report for the Department fiscal year ended June 30, 2013 was not submitted by the December 16, 2013 due date. The audit report was submitted February 21, 2014.

Criteria

OSA Rule 2.2.2.10.I.(4) establishes a due date of December 15, 2013 (December 15, 2013 falls on a Sunday and therefore, the report is due December 16, 2013) for submission of this audit report to the Office of the State Auditor.

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For The Year Ended June 30, 2013**

Effect

The report was not submitted as required. Without the audit report being delivered on time, fund and regulatory agencies as well as legislative committees do not have the financial data available to make funding decisions.

Cause

The reason for the late report was related to both the Department and IPA having significant changes in staff and also because the Department terminated its original contract with the Independent Public Auditor (IPA), contracted with another IPA and then subsequently rehiring the original IPA. The loss of staff and changes in auditors resulted in a delay in the completion of the audit.

Recommendation

We recommend the Department determine its staffing needs and stay consistent with its contracting of its IPA.

Management Response

The Department will ensure that it has adequate staffing and does not anticipate a change in its IPA during the audit process during its future audits.

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EXIT CONFERENCE
For The Year Ended June 30, 2013**

An exit conference was held on February 17, 2014. Attending were the following:

Representing the Department:

Robert Unthank	Department Superintendent
Alexis Lotero	ASD Director
Fernando Fernandez	ASD CFO

Representing the Independent Auditor, Hinkle + Landers, PC:

Farley Vener	President and Managing Shareholder
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The financial statements were prepared with the assistance of Hinkle + Landers, PC