



Timothy Keller
State Auditor

State of New Mexico
OFFICE OF THE STATE AUDITOR
Elected for Better Government

Sanjay Bhakta, CPA, CGFM, CFE
Deputy State Auditor

VIA EMAIL

February 10, 2015

Robert Unthank, Superintendent
C/O Fernando Fernandez, CFO II
Regulation & Licensing Department
Fernando.fernandez@state.nm.us

Dear Superintendent Unthank:

The Office of the State Auditor reviewed the audit of the Regulation & Licensing Department for Fiscal Year 2014. As part of our review, our team identified select matters and findings that we will refer for additional test work in the Fiscal Year 2015 audit, and which may lead to subsequent actions by our office.

We intend to require additional test work and to require specific details related to the auditor determination of whether the Department has implemented its proposed changes to internal controls in the timeframe identified in the audit related to the following:

- **Finding 2012-002**, identifying a material weakness that resulted in a qualified opinion as to agency funds. This finding relates to the Department's difficulties with the software system that tracks prepaid permitting fees; and
- **Finding 2013-004**, identifying a material weakness due to inadequate controls for financial close and reporting.

If you have any questions about this letter, please contact our auditor Sara Specht at Sara.Specht@osa.state.nm.us or (505) 476-3800.

Sincerely,

A handwritten signature in black ink that reads "Timothy Keller".

Timothy Keller, State Auditor



Timothy Keller
State Auditor

Sanjay Bhakta, CPA, CGFM, CFE
Deputy State Auditor

State of New Mexico
OFFICE OF THE STATE AUDITOR
Elected for Better Government

February 10, 2015

SAO Ref. No. 420

R. Mike Unthank, Superintendent
Regulation and Licensing Department
2550 Cerrillos Road
Santa Fe, NM 87505-

SUBJECT: Audit Report—Regulation and Licensing Department—2013-2014 Fiscal Year—Prepared by Jaramillo Accounting Group, LLC

The audit report for your agency was received by the Office of the State Auditor (Office) on December 16, 2014. The State Auditor's review of the audit report required by Section 12-6-14 (B) NMSA 1978 and 2.2.2.13 NMAC has been completed. This letter is your authorization to make the final payment to the independent public accountant (IPA) who contracted to perform your agency's financial and compliance audit. In accordance with the Section 2 of the audit contract, the IPA is required to deliver the specified number of copies of the audit report to the agency.

Pursuant to Section 12-6-5 NMSA 1978, the audit report does not become public record until five days after the date of this release letter, unless your agency has already submitted a written waiver to the Office. Once the five-day period has expired or upon the Office's receipt of a written waiver, the audit report shall be:

- released by the Office to the Legislative Finance Committee, the Department of Finance and Administration, and the State Treasurer
- posted by the Office to our website

The independent public accountant's findings and comments are included in the audit report on pages 124-131. **It is ultimately the responsibility of the governing authority of the agency to take corrective action on all findings and comments. Section 2.2.2.10(J) NMAC requires that an exit conference be held with representatives of the agency's governing authority and top management.**

A handwritten signature in cursive script that reads "Timothy Keller".

Timothy Keller
State Auditor

cc: Jaramillo Accounting Group, LLC



STATE OF NEW MEXICO
NEW MEXICO REGULATION AND LICENSING DEPARTMENT
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
JUNE 30, 2014

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
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STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
OFFICIAL ROSTER
As of June 30, 2014

<u>Name</u>	<u>Title</u>
Mike Unthank	Superintendent
Vadra Baca	Acting Director, Boards and Commissions Division
Alexis Lotero	Administrative Services Division Director
Fernando Fernandez	CFO
Pat McMurray	Director, Construction Industries Division and Manufactured Housing Division
Alan Wilson	Director, Securities Division
Cynthia Richards	Director, Financial Institutions Division
Mary Kay Root	Director, Alcohol and Gaming Division

Independent Auditor's Report

Mr. Mike Unthank, Superintendent
State of New Mexico
Regulation and Licensing Department
&
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 of the State of New Mexico Regulation and Licensing Department (Department), as of and for the year ended June 30, 2014 and the related notes to the financial statements, which collectively comprise the Department's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the Department's nonmajor governmental funds, fiduciary funds and the budgetary comparisons for 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, 2014, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Mr. Mike Unthank, Superintendent
State of New Mexico
Regulation and Licensing Department
&
Mr. Hector Balderas
New Mexico State Auditor
Santa Fe, New Mexico

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.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
General Fund	Unmodified
Special Revenue Funds	Unmodified
Fiduciary Agency Funds	Qualified
Aggregate Remaining Fund Information	Unmodified

Basis for Qualified Opinion on Agency Funds

Management is unable to determine the obligations due to other parties related to the collections and usage of certain prepaid construction permits in its Agency Funds. The Department's software is not able to track these amounts accurately, causing the accounting to be not in accordance with accounting principles generally accepted in the United States of America. Accounting principles generally accepted in the United States of America require that liabilities are reported accurately and completely. The amount by which this issue may affect the liabilities for the Department's Agency Funds has not been determined.

Mr. Mike Unthank, Superintendent
State of New Mexico
Regulation and Licensing Department
&
Mr. Hector Balderas
New Mexico State Auditor
Santa Fe, New Mexico

Qualified Opinion

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Agency Funds” the financial statements referred to above present fairly, in all material respects, the assets and liabilities of the agency funds of the Department, as of June 30, 2014 for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, 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, other than the agency funds, of the Department as of June 30, 2014, and the respective changes in financial position and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund as of June 30, 2014, and the respective changes in financial position and the respective budgetary comparisons for all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 16 to the financial statements, the Department’s management determined the government-wide financial statements, and certain fund financial statements were materially misstated in the previously issued financial statements and restated the June 30, 2013 ending balances in these financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic

Mr. Mike Unthank, Superintendent
State of New Mexico
Regulation and Licensing Department
&
Mr. Hector Balderas
New Mexico State Auditor
Santa Fe, New Mexico

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

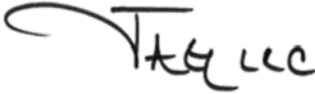
Our audit was conducted for the purpose of forming opinions on the Department's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The "other supplemental information" as identified in the table of contents and required by Section 2.2.2.NMAC is 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 and required by Section 2.2.2.NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules listed in the table of contents as "other supplemental information" required by 2.2.2.NMAC 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 Agency Funds".

Mr. Mike Unthank, Superintendent
State of New Mexico
Regulation and Licensing Department
&
Mr. Hector Balderas
New Mexico State Auditor
Santa Fe, New Mexico

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2014 on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the 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.

A handwritten signature in black ink, appearing to read "JAG LLC". The signature is stylized with a large, sweeping initial letter.

Jaramillo Accounting Group LLC
Albuquerque, New Mexico
December 15, 2014

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
MANAGEMENT DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2014

The Regulation and Licensing Department's discussion and analysis provides an overview of the financial activities for the fiscal year ended June 30, 2014. 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, Mortgage Regulatory Fund, Board of Cosmetologists and Barbers, and Board of Pharmacy.

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 and liabilities 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 changes in them. The net position, which is the difference between assets and liabilities, 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 are 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
For the Year Ended June 30, 2014

THE DEPARTMENT AS A WHOLE

The Department's net position increased by \$4,399,799 from \$18,496,321 (as restated) to \$22,896,100. 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, 2014</u>	<u>June 30, 2013</u>
Assets		
Current and other assets	\$ 32,370,116	27,269,632
Capital assets	<u>1,233,535</u>	<u>250,706</u>
Total assets	<u>33,603,651</u>	<u>27,520,338</u>
Liabilities		
Current liabilities	10,245,413	10,060,028
Long-term liabilities	<u>462,638</u>	<u>420,089</u>
Total liabilities	<u>10,708,051</u>	<u>10,480,117</u>
Net position		
Net investment in capital assets	1,233,535	250,706
Restricted	21,987,956	17,514,593
Unrestricted (deficit)	<u>(325,391)</u>	<u>(725,078)</u>
Total net position	<u>\$ 22,896,100</u>	<u>17,040,221</u>

After restatement, the Department realized a 34% increase in net position over fiscal year 2013. The majority of the increase was due to the Interest in State Treasurer General Fund Investment Pool as well as an increase in capital assets. Notable increases in liabilities include unearned revenue on license fees at certain boards and commissions and noted decreases include reversion payable to the State General Fund.

The Department's total revenues increased nearly 6.3% or \$1,482,844. The increase in revenues is attributed to an analysis by fiscal staff to ensure that revenue is recognized properly in the correct fiscal year. This revenue recognition issue has historically been a problem for the Department. New processes were implemented in FY14 to assure proper revenue recognition going forward. The total program expense decreased by \$1,074,186 or about 5%. The Department continues to identify ways to reduce expenses.

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
MANAGEMENT DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2014

Statement of Activities

	<u>For the year ended</u> <u>June 30, 2014</u>	<u>For the year ended</u> <u>June 30, 2013</u>
Government Activities		
Operating grants and charges for services	\$ 11,360,580	10,173,971
General fund appropriations	13,145,200	12,802,900
Net transfers in	486,475	265,930
Reversions	(176,270)	(925,941)
Other	9,541	1,025,822
Total revenue	<u>24,825,526</u>	<u>23,342,682</u>
Program expense	<u>20,425,747</u>	<u>21,499,933</u>
Change in net position	4,399,779	1,842,749
Net position, beginning of year	17,040,221	15,344,052
Restatement	1,456,100	(146,580)
Net position, as restated, beginning of year	<u>18,496,321</u>	<u>15,197,472</u>
Net position, end of year	<u>\$ 22,896,100</u>	<u>17,040,221</u>

THE DEPARTMENT'S FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the General Fund, Mortgage Regulatory Fund, Board of Cosmetologists and Barbers, Board of Pharmacy, 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.

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
MANAGEMENT DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2014

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 by 2.7% per the 51st Legislature, 1st Session, Laws 2013, Chapter 179, Section 4.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2014, the Department had \$1,233,535 invested in capital assets, net of accumulated depreciation, including vehicles, IT Equipment, and a software license. This amount represents a net increase of \$982,829 or 390% over last year. This year's additions includes four vehicles, tape library, certain components of a disaster recovery system and an Accela automation platform software license.

Long-Term Liabilities

The Department's obligations include accrued vacation pay and sick leave. They increased from \$420,089 in FY 2013 to \$462,638 in FY 2014.

ECONOMIC FACTORS

The Department's budget is determined by an annual appropriation from the Legislature. In fiscal year 2014, the Department realized a budget increase of 2.7% of State 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 2014 General Fund Consensus revenue outlook, a revision to the August 2014 report. The December 2014 forecast revised the FY14 total recurring revenue to a total of \$6,040 million, which resulted in recurring revenue growth of 5.8% in FY14. The total recurring revenue growth revision of \$332 million is still expected from contributions of the oil and gas industry, and an upward adjustment to the gross receipts tax forecast, thanks in part to a very strong first quarter of FY15. The December 2014 forecast projects a decline from the August 2014 forecast of \$120 million which is attributable to a decline in oil prices since the summer. Preliminary FY14-ending reserve balances are \$709 million, or 12 percent of recurring appropriations.

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 or Administrative Services Division Director at (505) 476-4800 or at the Department's Administrative Services Division office located in the Toney Anaya Building, 2550 Cerrillos Road, Santa Fe, NM 87505.

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF NET POSITION
June 30, 2014

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Interest in State Treasurer General Fund Investment Pool	\$ 31,916,155
Petty cash	2,873
Accounts receivable	3,443
Prepaid postage	57,042
Due from other state agencies	377,281
Inventories	13,822
Total current assets	<u>32,370,616</u>
Capital assets	
Capital assets	1,937,525
Accumulated depreciation	(703,990)
Total noncurrent assets	<u>1,233,535</u>
Total assets	<u>\$ 33,604,151</u>
LIABILITIES AND NET POSITION	
Current Liabilities	
Accounts payable	1,280,013
Accrued payroll	476,856
Due to federal government	2,715
Due to local governments	3,006
Due to State General Fund	1,107,157
Unearned revenue	7,096,898
Current portion of compensated absences	278,768
Total current liabilities	<u>10,245,413</u>
Long-term liabilities	
Non-current portion of compensated absences	462,638
Total long-term liabilities	<u>462,638</u>
Total liabilities	<u>10,708,051</u>
Net position	
Net investment in capital assets	1,233,535
Restricted	21,987,956
Unrestricted (deficit)	(325,391)
Total net position	<u>\$ 22,896,100</u>

See Notes to Financial Statements.

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF ACTIVITIES
Year Ended June 30, 2014

	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants	Revenue and Changes in Net Position Governmental Activities
Governmental Activities				
Construction Industries	\$ 8,300,010	69,187	-	(8,230,823)
Financial Institutions	2,326,057	592	-	(2,325,465)
Alcohol and Gaming	915,337	-	-	(915,337)
Mortgage Regulatory	455,493	1,648,193	-	1,192,700
Securities Enforcement and Investors Education	526,141	780,883	-	254,742
Boards and Commissions	5,583,373	8,728,132	17,512	3,162,271
Program Support	2,319,336	104,073	12,008	(2,203,255)
Total governmental activities	\$ 20,425,747	11,331,060	29,520	(9,065,167)
General Revenues				
Transfer - State General Fund appropriation				13,145,200
Transfers in - other state agencies				486,475
Reversion to State General Fund				(176,270)
Interest and investment earnings				9,541
Total general revenues				13,464,946
Changes in net position				4,399,779
Net position, beginning				17,040,221
Restatement				1,456,100
Net position, beginning, as restated				18,496,321
Net position, ending				\$ 22,896,100

See Notes to Financial Statements.

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2014

	43300 General Fund	10660 Mortgage Regulatory Fund	43900 Board of Cosmetologists and Barbers
ASSETS			
Interest in State Treasurer General Fund			
Investment Pool	\$ 2,519,027	4,219,001	2,826,734
Petty cash	2,391	-	-
Accounts receivable	1,365	326	50
Prepaid postage	-	-	1,776
Due from other funds	-	-	-
Due from other state agencies	377,281	-	-
Due from federal government	-	-	-
Inventories	-	-	-
Total assets	\$ 2,900,064	4,219,327	2,828,560
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 1,118,557	2,423	32,235
Accrued payroll	347,642	5,228	9,513
Unearned revenues	-	-	527,365
Due to State General Fund	1,087,799	-	617
Due to other state agencies	-	-	-
Due to local governments	-	-	-
Due to other funds	-	-	-
Due to federal government	915	-	-
Total liabilities	2,554,913	7,651	569,730
Fund Balances			
Nonspendable:			
Prepaid postage	-	-	1,776
Inventories	-	-	-
Restricted	-	4,211,676	2,257,054
Unassigned	345,151	-	-
Total fund balances	345,151	4,211,676	2,258,830
Total liabilities and fund balances	\$ 2,900,064	4,219,327	2,828,560

See Notes to Financial Statements.

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2014

	46400		Total
	Board of Pharmacy	Non-Major Funds	Governmental Funds
ASSETS			
Interest in State Treasurer General Fund			
Investment Pool	\$ 3,106,476	19,244,917	31,916,155
Petty cash	334	148	2,873
Accounts receivable	-	1,702	3,443
Prepaid postage	-	55,266	57,042
Due from other funds	-	-	-
Due from other state agencies	-	-	377,281
Due from federal government	-	-	-
Inventories	-	13,822	13,822
Total assets	\$ 3,106,810	19,315,855	32,370,616
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 44,545	82,253	1,280,013
Accrued payroll	45,762	68,711	476,856
Unearned revenues	1,420,853	5,148,680	7,096,898
Due to State General Fund	3,464	15,277	1,107,157
Due to other state agencies	-	-	-
Due to local governments	-	3,006	3,006
Due to other funds	-	-	-
Due to federal government	100	1,700	2,715
Total liabilities	1,514,724	5,319,627	9,966,645
Fund Balances			
Nonspendable:			
Prepaid postage	-	55,266	57,042
Inventories	-	13,822	13,822
Restricted	1,592,086	13,927,140	21,987,956
Unassigned	-	-	345,151
Total fund balances	1,592,086	13,996,228	22,403,971
Total liabilities and fund balances	\$ 3,106,810	19,315,855	32,370,616

See Notes to Financial Statements.

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
WITH THE STATEMENT OF NET POSITION
June 30, 2014

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

Total fund balance - governmental funds	\$	22,403,971
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	\$	1,937,525
Accumulated depreciation		<u>(703,990)</u>
Cost of capital assets less accumulated depreciation		1,233,535
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of		
Compensated absences		<u>(741,406)</u>
Total net position - governmental activities	\$	<u><u>22,896,100</u></u>

See Notes to Financial Statements.

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2014

	43300	10660	43900
	General	Mortgage	Board of
	Fund	Regulatory	Cosmetologists
		Fund	and Barbers
Revenues			
License fees	\$ 112,962	1,436,350	1,192,749
Services	-	-	9,022
Printing and reproduction	-	-	-
Publications	-	-	-
Federal sources	12,008	-	-
Interest on investments	-	2,644	-
Other revenues	71,608	209,199	79,930
Total revenues	<u>196,578</u>	<u>1,648,193</u>	<u>1,281,701</u>
Expenditures			
Current			
Personal services and employee benefits	10,975,068	408,718	486,099
Contractual services	568,666	833	7,523
In-state travel	85,876	1,933	6,950
Maintenance and repairs	20,089	100	-
Supplies and materials	451,783	5,768	23,409
Operating costs	1,587,946	24,066	53,602
Other costs	82,469	127	7,741
Out-of-state travel	10,795	13,948	-
Capital outlay	1,083,605	-	-
Total expenditures	<u>14,866,297</u>	<u>455,493</u>	<u>585,324</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,669,719)</u>	<u>1,192,700</u>	<u>696,377</u>
Other financing sources (uses)			
Transfers in-interagency	461,475	-	-
Transfers out-interagency	-	-	-
Transfers in-interfund	1,403,234	-	-
Transfers out-interfund	-	(43,366)	(218,849)
State General Fund appropriation	13,116,400	-	-
Reversions to State General Fund	(165,868)	-	-
Total financing sources (uses)	<u>14,815,241</u>	<u>(43,366)</u>	<u>(218,849)</u>
Net change in fund balances	<u>145,522</u>	<u>1,149,334</u>	<u>477,528</u>
Fund balances, beginning of year	(13,016)	3,062,342	2,337,444
Restatement	212,645	-	(556,142)
Fund balances, beginning of year , as restated	<u>199,629</u>	<u>3,062,342</u>	<u>1,781,302</u>
Fund balances - ending	<u>\$ 345,151</u>	<u>4,211,676</u>	<u>2,258,830</u>

See Notes to Financial Statements.

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2014

	46400		
	Board of Pharmacy	Non-Major Funds	Total
Revenues			
License fees	\$ 2,246,817	5,058,161	10,047,039
Services	35,519	525,298	569,839
Printing and reproduction	-	-	-
Publications	-	22,478	22,478
Federal sources	-	17,512	29,520
Interest on investments	-	6,897	9,541
Other revenues	32,136	282,496	675,369
Total revenues	<u>2,314,472</u>	<u>5,912,842</u>	<u>11,353,786</u>
Expenditures			
Current			
Personal services and employee benefits	1,226,855	3,061,164	16,157,904
Contractual services	53,103	213,458	843,583
In-state travel	20,866	112,678	228,303
Maintenance and repairs	450	57	20,696
Supplies and materials	10,698	66,906	558,564
Operating costs	204,505	500,880	2,370,999
Other costs	1,403	34,998	126,738
Out-of-state travel	6,545	9,624	40,912
Capital outlay	-	-	1,083,605
Total expenditures	<u>1,524,425</u>	<u>3,999,765</u>	<u>21,431,304</u>
Excess (deficiency) of revenues over (under) expenditures	<u>790,047</u>	<u>1,913,077</u>	<u>(10,077,518)</u>
Other financing sources (uses)			
Transfers in-interagency	-	25,000	486,475
Transfers out-interagency	-	-	-
Transfers in-interfund	-	-	1,403,234
Transfers out-interfund	(195,992)	(945,027)	(1,403,234)
State General Fund appropriation	-	28,800	13,145,200
Reversions to State General Fund	-	(10,402)	(176,270)
Total financing sources (uses)	<u>(195,992)</u>	<u>(901,629)</u>	<u>13,455,405</u>
Net change in fund balances	<u>594,055</u>	<u>1,011,448</u>	<u>3,377,887</u>
Fund balances, beginning of year	901,707	11,281,507	17,569,984
Restatement	96,324	1,703,273	1,456,100
Fund balances, beginning of year , as restated	<u>998,031</u>	<u>12,984,780</u>	<u>19,026,084</u>
Fund balances - ending	<u>\$ 1,592,086</u>	<u>13,996,228</u>	<u>22,403,971</u>

See Notes to Financial Statements.

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT
OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES WITH
THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2014

Total net change in fund balances - governmental funds \$ 3,377,887

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

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

Capital outlay additions	\$	1,068,156
Depreciation expense		<u>(85,327)</u>

Net Change in Capital Assets		982,829
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Accrued compensated absences are recorded as liabilities in the long-term debt group of accounts in the governmental funds. However, for government activities, these costs are shown in the Statement of Net Position and the changes in the liability are recorded as a reduction or increase in the current personal services category.

Change in accrued compensated absences		<u>39,063</u>
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Changes in net position of governmental activities	\$	<u><u>4,399,779</u></u>
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See Notes to Financial Statements.

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND - 43300
Year Ended June 30, 2014

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
State General Fund appropriation	\$ 13,116,400	13,116,400	13,116,400	-
Federal funds	-	153,000	12,008	(140,992)
Other licenses and permits	-	-	112,962	112,962
Other revenue	-	-	71,608	71,608
Other financing sources	2,684,600	2,684,600	1,864,709	(819,891)
Reversion to State General Fund	-	-	(165,868)	165,868
Total revenues	15,801,000	15,954,000	15,011,819	(610,445)
Expenditures				
Personnel services and employee benefits	13,394,600	11,745,293	10,975,068	770,225
Contractual services	514,500	785,307	568,666	216,641
Other	1,891,900	3,423,400	3,322,563	100,837
Total expenditures	15,801,000	15,954,000	14,866,297	1,087,703
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	-	-	\$ 145,522	\$ 477,258
Cash balance carryforward	-	-		
Total	\$ -	-		

See Notes to Financial Statements.

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
MORTGAGE REGULATORY FUND - 10660
Year Ended June 30, 2014

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trade and professions licenses	\$ 364,600	364,600	1,436,350	1,071,750
Other registration fees	100,000	100,000	-	(100,000)
Other exam fees	150,000	150,000	-	(150,000)
Interest on investments	-	-	2,644	2,644
Other revenue	-	-	209,199	209,199
Total revenues	614,600	614,600	1,648,193	1,033,593
Expenditures				
Personnel services and employee benefits	441,400	441,400	408,718	32,682
Contractual services	-	12,500	833	11,667
Other	118,200	105,700	45,942	59,758
Other financing uses	55,000	55,000	43,366	11,634
Total expenditures	614,600	614,600	498,859	115,741
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	-	-	1,149,334	1,149,334
Cash balance carryforward	-	-	-	-
Total	\$ -	-	-	-

See Notes to Financial Statements.

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
BOARD OF BARBERS AND COSMETOLOGISTS FUND - 43900
Year Ended June 30, 2014

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 156,700	156,700	1,192,749	1,036,049
Registration for trades and professions licenses	786,500	786,500	-	(786,500)
Other registration fees	-	-	9,022	9,022
Other current services	-	-	-	-
Manuals and codes	-	-	-	-
Other financing sources	-	-	-	-
Other penalties	-	-	79,930	79,930
Total revenues	943,200	943,200	1,281,701	338,501
Expenditures				
Personnel services and employee benefits	539,100	604,577	486,099	118,478
Contractual services	45,000	9,523	7,523	2,000
Other	83,700	101,100	91,702	9,398
Other financing uses	280,200	280,200	218,849	61,351
Total expenditures	948,000	995,400	804,173	191,227
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	(4,800)	(52,200)	\$ 477,528	529,728
Cash balance carryforward	4,800	52,200		
Total	\$ -	-		

See Notes to Financial Statements.

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
BOARD OF PHARMACY - 46400
Year Ended June 30, 2014

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 200,000	200,000	-	(200,000)
Registration for trades and professions licenses	1,573,700	1,573,700	2,246,817	673,117
Trades and professions examination fees	-	-	-	-
Other current services	30,000	30,000	35,519	5,519
Other publications	-	-	-	-
Court fines and forfeitures	25,000	25,000	-	(25,000)
Other penalties	10,000	10,000	-	(10,000)
Miscellaneous revenue	-	-	32,136	32,136
Total revenues	1,838,700	1,838,700	2,314,472	475,772
Expenditures				
Personnel Services and employee benefits	1,311,300	1,251,800	1,226,855	24,945
Contractual services	61,300	61,300	53,103	8,197
Other	230,100	289,600	244,467	45,133
Other financing uses	248,000	248,000	195,992	52,008
Total expenditures	1,850,700	1,850,700	1,720,417	130,283
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	(12,000)	(12,000)	\$ 594,055	606,055
Cash balance carryforward	12,000	12,000		
Total	\$ -	-		

See Notes to Financial Statements.

STATE OF NEW MEXICO
 REGULATION AND LICENSING DEPARTMENT
 STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS
 June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Interest in State Treasurer General Fund Investment Pool	\$ 2,970,499
Due from Other State Agencies	<u>-</u>
Total Assets	<u><u>\$ 2,970,499</u></u>
LIABILITIES	
Accounts Payable	\$ 2,829
Other Liabilities	1,911,899
Due to State General Fund	<u>1,055,771</u>
Total Liabilities	<u><u>\$ 2,970,499</u></u>

See Notes to Financial Statements.

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE I. 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

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

enforcing codes and standards for construction, alteration, installation, connection, demolition and repair work" pursuant to NMSA 1978 Compilation (1989 amendment). Section 60-13-1.1. CID also administers the Employee Leasing, Carnival Ride Insurance and Hoisting Operators Safety Acts pursuant to NMSA 1978, Sections 60-13A, 57-25 and 60-15, respectively.

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

The Financial Institutions Division (FID) is responsible for administering the statutory requirements of the Banking Act, the Trust Company Act, Collection Agency Regulatory Act, the endowed Care Cemetery Act, the New Mexico Small Loan Act, the Mortgage Loan Company and Broker Act, the Credit Union Regulatory Act, the Motor Vehicle Sales Finance Company Act, the Escrow Company Act, the 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 is responsible for administering the New Mexico Securities Act of 1986 and the Model State Commodity Code. Pursuant to those laws the Division registers securities offerings, licenses securities sales representatives, broker-dealers, investment advisers and investment adviser representatives, and takes administrative civil enforcement action when necessary. The Division also administers the Securities Enforcement and Investor Education Fund, which is funded by administrative assessments levied against companies or individuals found to have violated the Securities Act.

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

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

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.

The Department does not have any component units.

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

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

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

Governmental Funds

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

General Fund (SHARE Fund Number 43300) –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 Fund is considered a reverting fund. American Recovery and Reinvestment Act (ARRA), Mortgage Regulatory Fund, HUD

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
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Manufactured Housing and Osteopathic Examiners Funds are 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 (SHARE Fund Number 43300) - See above description

Mortgage Regulatory Fund (SHARE Fund Number 10660) - 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.

Board of Cosmetologists and Barbers (SHARE Fund Number 43900) - 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 (SHARE Fund Number 46400) - 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.

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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 (60 days). 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 unearned revenues by the recipient.

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.).

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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 rebudgeted for expenditures in the next fiscal year. Budgetary comparisons presented in the financial statements are on a modified accrual basis of accounting.
5. 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 2014 shall revert to the State General Fund by September 30, 2014, unless otherwise indicated in the General Appropriations Act of 2004 or otherwise provided by law."
6. 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 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.

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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.

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, plant and equipment assets purchased or acquired at a value of \$5,000 or greater per Section 12-6-10 NMSA 1978 are capitalized. Capital assets capitalized include computer software license rights purchased. All capital 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 capital 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 (240 hours) of such accumulated annual leave may be carried forward into the beginning of a calendar leave year and any excess is lost. When employees terminate, they are compensated for accumulated unpaid annual leave as of the date of termination, up to a maximum of thirty days. Qualified employees are entitled to accumulate sick leave at various rates depending upon their length of service. There is no limit to the amount of sick leave that an employee may accumulate. 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

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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, 2014, 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.

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.

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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 as net investment in capital assets, restricted and unrestricted. Net investment in Capital Assets is intended to reflect the portion of net position which is associated with non-liquid, capital assets less outstanding capital asset related debt.

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 unearned 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. Unearned Revenue.

Amounts received prior to the time they are considered available to pay current liabilities are recorded as unearned revenue and recognized as revenue using the modified accrual basis of accounting. Such revenue sources include collections received by various boards for licenses and permits prior to their effective license period as of the end of the fiscal year. Boards issue licenses and permits with a one year to three year renewal period (depending on applicable state statute). License and permit revenue is recognized ratably over the license period. License revenue received prior to year-end but not recognized during the year is "unearned" at year-end.

12. 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.

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Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers.

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

13. 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. Investments in the State Treasurer General Fund Investment Pool

The State General Fund Investment Pool (SGFIP) 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. Reconciliation of the SGFIP is the responsibility of the Department Finance and Administration. As of June 30, 2014, 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.

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 State's cash reconciliation issues are discussed in more depth in DFA's website at www.nmdfa.state.nm.us/Cash_Control.aspx. The management of the Department believes it has adequate controls in place to insure that these balances are materially accurate. Note 15 provides detail as to the Department's controls.

State law (Section 8-6-3 NMSA 1978) requires the Department's cash be managed by the New Mexico State Treasurer's Office. Accordingly, the investments of the Department consist of an interest in the General Fund Investment Pool managed by the New Mexico State Treasurer's Office. Investment balances at June 30, 2014, consisted of the following:

Deposits with State Treasurer-governmental activities	\$	31,916,156
Deposits with State Treasurer-fiduciary balances		<u>2,970,499</u>
Total balance	\$	<u><u>34,886,655</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

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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, 2014, 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, 2014.

NOTE 4. 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. Only fund 43300 had due from other agencies balances at June 30, 2014 and consist of the following:

Business Unit <u>Number</u>	Fund Number	<u>Purpose</u>	<u>Amount</u>
94000	94700	For permit issuance	\$ 199,973
44900	07200	For administrative and licensing support	30,000
46400	07300	For administrative and licensing support	135,300
80500	32238	DOT-DWI Grant reimbursement	12,008
			\$ 377,281

NOTE 5. 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. These amounts have been eliminated on the government-wide statements. There were no interfund due to or from balances at June 30, 2014.

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NOTE 6. Capital Assets

The capital asset activity for the year ended June 30, 2014 is as follows:

	June 30, 2013	Additions	Deletions	June 30, 2014
Governmental Activities				
Depreciable Assets				
System Software License	\$ -	692,806	-	692,806
Data Processing equipment	688,676	272,007	-	960,683
Automotive	180,693	103,343	-	284,036
Totals at historical cost	<u>869,369</u>	<u>1,068,156</u>	<u>-</u>	<u>1,937,525</u>
Accumulated depreciation				
System Software License	-	-	-	-
Data Processing equipment	(447,362)	(80,427)	-	(527,789)
Automotive	(171,301)	(4,900)	-	(176,201)
Total accumulated depreciation	<u>(618,663)</u>	<u>(85,327)</u>	<u>-</u>	<u>(703,990)</u>
Capital assets, net	<u>\$ 250,706</u>	<u>982,829</u>	<u>-</u>	<u>1,233,535</u>

The Department does not have any debt related to capital assets as of June 30, 2014. Depreciation expense for the agency amounted to \$85,327 and is all related to the General Government function in the government wide statement of activities.

NOTE 7. Compensated Absences

	June 30, 2013	Additions	Deletions	June 30, 2014	Amount due within one year
Compensated Absences	\$ <u>783,432</u>	<u>1,303,209</u>	<u>(1,345,235)</u>	<u>741,406</u>	<u>278,768</u>

Management estimates that \$278,768 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.

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NOTE 8. Due to State General Fund

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. Stale dated checks are also due to be returned to the State General Fund. The table below summarizes the reversions and stale dated check amounts along with the balance due to the State General Fund at year end.

<u>SHARE</u> <u>Fund</u>	<u>Purpose</u>	<u>Stale Dated</u> <u>Warrants</u>	<u>Prior Year</u> <u>Reversion</u>	<u>Current Year</u> <u>Reversion</u>	<u>Amount</u> <u>transferred in FY</u> <u>2014</u>	<u>Balance Due</u>
20120	2014 Reversion	\$ -	-	10,402	-	10,402
21100	Stale Dated Warrants	5	-	-	-	5
43300	2014 Reversion	-	-	165,868	-	165,868
43300	2013 Reversion	-	915,457	*	-	915,457
43300	Stale Dated Warrants	6,474	-	-	-	6,474
43900	Stale Dated Warrants	617	-	-	-	617
44100	Stale Dated Warrants	373	-	-	-	373
44200	Stale Dated Warrants	147	-	-	-	147
44600	Stale Dated Warrants	143	-	-	-	143
45400	Stale Dated Warrants	190	-	-	-	190
45900	Stale Dated Warrants	1,000	-	-	-	1,000
46000	Stale Dated Warrants	238	-	-	-	238
46400	Stale Dated Warrants	3,464	-	-	-	3,464
46600	Stale Dated Warrants	910	-	-	-	910
46700	Stale Dated Warrants	50	-	-	-	50
46900	Stale Dated Warrants	95	-	-	-	95
47100	Stale Dated Warrants	95	-	-	-	95
47300	Stale Dated Warrants	10	-	-	-	10
47400	Stale Dated Warrants	64	-	-	-	64
47400	Stale Dated Warrants	366	-	-	-	366
53500	Stale Dated Warrants	289	-	-	-	289
89000	Stale Dated Warrants	900	-	-	-	900
	Total	\$ 15,430	915,457	176,270	-	1,107,157

* Recorded in the 2013 audited financial statements

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NOTE 9. Inter-Fund Transfers

Operating transfers are for the allocation of administrative costs and consist of the following:

Fund Name	SHARE Fund No.	Transfers	
		In	Out
Sec. Education & Training	04400	\$ -	37,423
Mortgage Regulatory Fund	10660	-	43,366
Sign Language Interpretation Practice	20110	-	18,765
Animal Shelter Services	20120	-	13,175
General Fund	43300	1,403,234	-
Barber and Cosmetology	43900	-	218,849
Athletic Commission	44100	-	16,839
Massage Therapy	44200	-	53,943
Counselor/Therapy Board	44400	-	84,829
Board of Chiropractors	44600	-	24,773
Board of Dental Examiners	44700	-	79,824
Nutrition and Dietetics	44800	-	6,948
Board of Nursing Home Administration	44900	-	7,098
Occupational Therapy	45000	-	16,980
Board of Optometry	45100	-	11,544
Board of Osteopathic Examiners	45200	-	15,816
Board of Podiatry	45300	-	4,822
Board of Psychology	45400	-	30,187
Physical Therapy Board	45500	-	30,228
Thanatopractice	45600	-	22,218
Board of Interior Design	45700	-	3,241
Private Investigators	45900	-	70,149
Landscape Architects Board	46000	-	4,846
Pharmacy Board	46400	-	195,992
Real Estate Appraisers Board	46500	-	40,418
Accountancy Board	46600	-	62,128
Real Estate Commission	46700	-	126,113
Social Workers Board	46900	-	68,228
Acupuncture Board	47100	-	35,405
HUD MHD Housing	47200	-	10,434
Speech and Language Pathology	47300	-	30,702
Respiratory Care Advisory Board	47400	-	14,292
Athletic Trainers Board	47500	-	3,659
Total		\$ 1,403,234	1,403,234

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NOTE 10. Transfers From/To Other Agencies

Transfers from other state agencies for the year ended June 30, 2014 are routine in nature and are consistent with the activities of the fund making the transfer.

<u>From Business</u>	<u>Unit</u>	<u>Into 43300</u>	<u>Into 20110</u>	<u>Total</u>	<u>Purpose</u>
	46400	\$ 135,300	-	135,300	For administrative and licensing support
	44900	30,000	-	30,000	For administrative and licensing support
	34100	81,200	-	81,200	Compensation package - 1%
	44600	15,000	-	15,000	For administrative and licensing support
	94000	199,975	-	199,975	For permit issuance
	43700	-	25,000	25,000	For administrative and licensing support
		<u>\$ 461,475</u>	<u>25,000</u>	<u>486,475</u>	

NOTE 11. Retirement Plan – Public Employees Retirement Association

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

Funding Policy. Plan members are required to contribute 8.92% of their gross salary. The Department is required to contribute 16.59% of the gross covered salary. The contribution requirements of plan members and the Department are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The Department’s contributions to PERA for the years ending June 30, 2014, 2013 and 2012 were \$1,790,823, \$1,645,697 and \$1,477,439, respectively, which equal to the amount of the required contribution for each fiscal year.

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NOTE 12. Post-Employment Benefits-State Retiree Health Care Plan

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

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

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

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult

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correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2014, the statutes required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2014, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the 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, 2014, 2013 and 2012 were \$216,256, \$218,280, and \$201,504, 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.

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.

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

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concerning pending litigation and claims, the Department believes that the outcome of pending litigation should not have a materially adverse effect on the financial position or operations of the Department. In addition, for the years ended June 30, 2014, 2013, and 2012, 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. Operating Lease Agreements

In 2003, the Department entered into a building lease agreement to provide office space for the Construction Industries Division located in Las Cruces. In 2004, the Department entered into lease agreements to provide office space for the boards and commissions located in Albuquerque. In 2007, the Department entered into a building lease agreement to provide office space for the Securities Division.

The Department is obligated under these leases as follows:

2015	\$	403,500
2016		417,382
2017		431,727
2018		432,996
2019		434,447
	\$	<u>2,120,052</u>

Rent expense under these building leases totaled \$389,925 for the year ended June 30, 2014.

The Department also leases equipment under operating lease agreements that range in term from 36 to 48 month leases. The Department is obligated under these leases as follows:

2015	\$	40,084
2016		24,211
2017		10,755
2018		1,379
	\$	<u>76,429</u>

Rent expense under these equipment leases totaled \$56,418 for the year ended June 30, 2014.

NOTE 15. Department’s Control Procedures related to State General Fund Investment Pool Activity.

The Regulation and Licensing Department (RLD) conducts various procedures to ensure the cash balances reported in SHARE are accurate. The Department deposits all monies received to the State General Fund Investment Pool; it does not hold any outside bank accounts that have to be input into SHARE. All vouchers are approved and warrants are issued by DFA. Whereas these areas can create higher risk, the Department has a lower overall potential risk. The Department mitigates the risk in the areas of deposits, disbursements, payroll, budget,

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allotments, journal entries, and operating transfers by conducting the following:

Deposits

The Administrative Services Division (ASD) is responsible for receiving, depositing, and recording deposits in SHARE. The Cash Office receives the deposit slips, report of collections, and any back up documentation. When the bank stamped deposit slips are received back from the bank, they are verified for the correct amount. The SHARE report is downloaded daily in the morning and all RLD deposits are reconciled to the physical deposit slips and entered into SHARE. On a daily basis, a second individual verifies all information is entered correctly: fund, department, account, bud ref, class, and amount. If any information is incorrect, it is changed in SHARE if the deposit has not been completed, or the Financial Manager or CFO will complete a journal entry to correct the deposit.

Disbursements

All vouchers and invoices are submitted to ASD for review and approval. Accounts Payable reviews the vouchers to ensure the proper information has been entered for the payment: amount, fund, department, and account. The voucher is also compared to the purchase order to verify there is a purchase order in place and that the fund, department, and amount match. It is then submitted to the Financial Manager or CFO for an additional review and approval. The voucher packet is then submitted to DFA, where a third review and final approval is completed. DFA issues the warrants and when received by RLD, Accounts Payable verifies the amount and payee match the voucher that was submitted.

Payroll

RLD performs payroll reconciliations for each pay period to verify that each position was paid from the correct department and fund. Each position is reviewed and if the expenditure was paid incorrectly, the Financial Manager or CFO prepares a journal entry to correctly post the transactions. The journal entry is reviewed and approved by an individual who did not prepare the entry.

Budget

RLD performs monthly budget projections for each fund, which includes expenditures, encumbrances (purchase orders), pre-encumbrances (requisitions), projected expenditures, journal entries, and operating transfers. The items that have posted to the GL, such as expenditures, journal entries, and operating transfers are reviewed for validity and to ensure they have been posted to the correct fund. This is an additional level of verification to ensure disbursements are correct. The POs and Requisitions are reviewed, for the third time, to ensure they belong to the fund in which they are reflected in. Initially, the Purchasing Agent reviews all POs and Requisitions and verifies the correct fund, department, and account codes are being used. They are then submitted to the Financial Manager or CFO for final review and approval. The budget projection process not only provides the Department the information necessary to remain within their appropriated budget, but also ensures disbursements, journal entries, and operating transfers are recorded correctly.

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Budget Allotments

The Department prepares the budget allotment forms which are submitted to DFA for review, approval, and posting into SHARE. The Department verifies the budget posted is correct from a query run by SHARE.

Journal Entries and Operating Transfers

The journal entries are reviewed and approved by the Financial Manager or CFO, and are not approved by the individual who prepared them. Once posted, they are then again reviewed during the budget projection review. The operating transfers prepared by the Department follow the same process. Copies of any operating transfers prepared by another agency to RLD are requested and reviewed for accuracy.

General Fund Sweeps

DFA sweeps monies received by the reverting funds on a monthly basis. RLD has five receipt funds which revert to the General Fund. The trial balance provides the amount of receipts for the month. DFA does not post any entries for the non-reverting funds within RLD for the 29 Boards and Commissions, and 4 other programs.

While cash remediation efforts continue with DFA and STO (see also Note 3), RLD has multiple processes that are performed on a daily, monthly, and annual basis to ensure all information relating to cash balances is correct and to mitigate the risk of misstatement in the financials.

NOTE 16. Restatement of Prior Year Balances

During fiscal year 2014, management determined that certain balances presented in the prior year financial statements were misstated.

For the 2012 reversion noted below, management calculated and recorded a reversion liability to the State General Fund in error in fiscal year 2012 financial statements. The correct amount was reverted, however, an additional amount calculated and recorded in error of \$212,645 was not reversed until the current fiscal year against fund balance.

For the fiscal year 2013 correction of unearned revenue noted below, management did not have a methodology for calculating unearned revenue in accordance with GAAP and the prior year's auditor qualified their opinion with respect to unearned revenue in the special revenue funds. In 2014, the Department calculated its unearned revenue in the special revenue funds in accordance with GAAP. The Department applied the same assumptions used in its 2014 unearned revenue against the 2013 unearned revenue and determined that unearned revenue, by fund was misstated (see table below for funds and amounts). Accordingly, the Department restated its special revenue fund balances.

The restatement for the statement of activities is for the same purposes and net total of all funds.

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The restatement by fund is as follows:

<u>Fund</u>	<u>Amount</u>	<u>Purpose for restatement</u>
20110	\$ (223)	Correction of 2013 unearned revenue
20120	(8,894)	Correction of 2013 unearned revenue
43300	212,645	Correction of 2012 reversion payable
43900	(556,142)	Correction of 2013 unearned revenue
44100	(13,979)	Correction of 2013 unearned revenue
44200	(135,105)	Correction of 2013 unearned revenue
44400	(10,669)	Correction of 2013 unearned revenue
44600	(57,401)	Correction of 2013 unearned revenue
44700	300,657	Correction of 2013 unearned revenue
44800	3,988	Correction of 2013 unearned revenue
44900	(12,827)	Correction of 2013 unearned revenue
45000	26,329	Correction of 2013 unearned revenue
45100	87,809	Correction of 2013 unearned revenue
45200	121,912	Correction of 2013 unearned revenue
45300	(977)	Correction of 2013 unearned revenue
45400	250,754	Correction of 2013 unearned revenue
45500	29,846	Correction of 2013 unearned revenue
45600	(40,883)	Correction of 2013 unearned revenue
45700	7,180	Correction of 2013 unearned revenue
45900	98,815	Correction of 2013 unearned revenue
46000	(7,961)	Correction of 2013 unearned revenue
46400	96,324	Correction of 2013 unearned revenue
46500	49,454	Correction of 2013 unearned revenue
46600	82,404	Correction of 2013 unearned revenue
46700	551,234	Correction of 2013 unearned revenue
46900	323,292	Correction of 2013 unearned revenue
47100	160,454	Correction of 2013 unearned revenue
47300	(68,247)	Correction of 2013 unearned revenue
47400	15,040	Correction of 2013 unearned revenue
47500	24,096	Correction of 2013 unearned revenue
64300	(72,825)	Correction of 2013 unearned revenue
Total	<u>\$ 1,456,100</u>	

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NOTE 17. New Accounting Pronouncement Effective for the Year Ended June 30, 2015

The Governmental Accounting Standards Board (GASB) has issued a new accounting pronouncement (Statement No. 68 - *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*) effective for the year ended June 30, 2015. As a cost-share employer participating in the PERA Pension Plan (Plan) (see note 11), the Department will be required to include in its June 30, 2015 financial statements, the pro rata share of the Plan’s collective “Net Pension Liability”. The Plan’s “Net Pension Liability” represents the difference between Plan’s Total Plan Liability and the Plan’s Net Plan Position, reported at the market value of the investment assets.

The amount of the Department’s pro rata share of the Plan’s collective “Net Pension Liability” is currently unknown. However, the amount of Net Pension Liability to be included in the Department’s June 30, 2015 financial statements, is expected to be material.

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Securities Enforcement & Investor Education (SHARE Fund Number 04400) - 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 variety of communications channels. In 2009, the Legislature broadened the purpose of the fund to include support of Division Enforcement activity as well. The fund was established in accordance with the provisions of Section 58-13C-601 NMSA 1978.

FID Settlement Fund (SHARE Fund Number 11550) - The fund is created as a non-reverting fund under Section 9-16-16 NMSA 1978. The fund consists of money distributed to the financial institutions division pursuant to the consent judgment entered by the court in litigation between mortgage lenders and various states, including New Mexico, and filed April 4, 2012 in the United States district court for the District of Columbia and of income from the investment of the fund. The fund shall be administered by the financial institutions division. Money in the fund is subject to appropriation by the legislature to financial institutions division to support and improve state financial regulation and supervision as provided in the consent judgment. Disbursements from the fund shall be made by warrant of the secretary of finance and administration pursuant to vouchers signed by the director of the financial institutions division or the director's authorized representative.

Hoisting Operators Fund (SHARE Fund Number 21100) - To account for fees charged by the Department pursuant to the Hoisting Operators Safety Act. The fund is administered 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.

Financial Institutions Division (FID) Revolving Fund (SHARE Fund Number 37200). 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.

Construction Industries Division (CID) Revolving Fund (SHARE Fund Number 37300) - 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.

HUD Manufactured Housing Fund (SHARE Fund Number 47200) - 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.

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NONMAJOR FUNDS – FUND DESCRIPTIONS
For the Year Ended June 30, 2014

Carnival Ride Insurance Fund - (SHARE Fund Number 64300). 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.

RLD American Recovery and Reinvestment Act (ARRA) Fund (SHARE Fund Number 89000) - An administrative fund established by the Department of Finance and Administration and funded by the Federal Government. This is a non-reverting fund.

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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 state 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, 2014.

SHARE Fund Number	SHARE Fund Name	Funding Authority
20110	Sign Language Interpreting Services	61-34-13
20120	Animal Shelter Services	77-1B-4
21100	Hoisting Operators	60-15-1 to 15
29700	Real Estate Recovery	61-29-21
37200	Financial Institutions Revolving Fund	60-13-8.1
37300	CID Revolving Fund	60-13-8.1
43900	Barbers and Cosmetologists	61-17A-14
44100	Athletic Commission	60-2A-24
44200	Massage Therapist	61-12C-23
44400	Counselors and Therapists	61-9A-25
44500	Real Estate Education and Training	61-29-19.1
44600	Chiropractic Examiners	61-4-7
44700	Dental Examiners	61-5A-26
44800	Nutrition and Dietetics	61-7A-12
44900	Nursing Home Administrators	61-13-12
45000	Occupational Therapy	61-12A-20
45100	Optometry	61-2-7
45200	Osteopathic Examiners	61-10-6
45300	Podiatry	61-8-7
45400	Psychologist Examiners	61-9-5
45500	Physical Therapists	61-12D-6
45600	Thanatopractice	61-32-26
45700	Interior Design	61-24C-16
45900	Private Investigators and Polygraphers	61-27B-30
46000	Landscape Architects	61-24B-14
46500	Real Estate Appraisers	61-30-18
46600	Accountancy	61-28B-6
46900	Social Workers	61-31-16
47100	Acupuncture	61-14A-18
47200	HUD Manufactured Housing	60-14-1
47300	Speech, Language and Audio	61-14B-24
47400	Respiratory Care Advisory	61-12B-13
47500	Athletic Trainers	61-14D-18
53500	Naprapathy	61-12E-13
64300	Carnival Ride Insurance	57-25-3
87600	Impaired Dentists Hygienists	61-5B-11
89000	ARRA Fund	ARRA Grant

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	04400 Sec. Enforce. and Investor Education	11550 FID Settlement Fund	20110 Sign Language Interpreting	20120 Animal Shelter Services
ASSETS				
Interest in State Treasurer General Fund Investment Pool	\$ 2,858,700	977,592	250,845	263,471
Petty cash	-	-	-	-
Accounts receivable	397	-	20	21
Prepaid postage	-	-	5,557	821
Due from other funds	-	-	-	-
Due from other state agencies	-	-	-	-
Due from federal government	-	-	-	-
Inventories	-	-	-	-
Total assets	\$ 2,859,097	977,592	256,422	264,313
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 15,954	-	258	19,924
Accrued payroll	9,022	-	1,856	-
Unearned revenues	-	-	5,483	3,317
Due to State General Fund	-	-	-	10,402
Due to other state agencies	-	-	-	-
Due to local governments	-	-	-	3,006
Due to other funds	-	-	-	-
Due to federal government	-	-	-	-
Total liabilities	24,976	-	7,597	36,649
Fund Balances				
Nonspendable:				
Prepaid postage	-	-	5,557	821
Inventory	-	-	-	-
Restricted	2,834,121	977,592	243,268	226,843
Unassigned	-	-	-	-
Total fund balances	2,834,121	977,592	248,825	227,664
Total liabilities and fund balances	\$ 2,859,097	977,592	256,422	264,313

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	21100	29700	37200	37300
	Hoisting Operators	Real Estate Recovery	FID Revolving	CID Revolving
ASSETS				
Interest in State Treasurer General Fund Investment Pool	\$ 166,463	292,346	-	140,620
Petty cash	-	-	-	-
Accounts receivable	13	22	200	-
Prepaid postage	-	-	-	-
Due from other funds	-	-	-	-
Due from other state agencies	-	-	-	-
Due from federal government	-	-	-	-
Inventories	-	-	-	13,822
Total assets	\$ 166,476	292,368	200	154,442
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	-	-	-
Accrued payroll	-	-	-	-
Unearned revenues	-	-	-	-
Due to State General Fund	5	-	-	-
Due to other state agencies	-	-	-	-
Due to local governments	-	-	-	-
Due to other funds	-	-	-	-
Due to federal government	-	-	-	-
Total liabilities	5	-	-	-
Fund Balances				
Nonspendable:				
Prepaid postage	-	-	-	-
Inventory	-	-	-	13,822
Restricted	166,471	292,368	200	140,620
Unassigned	-	-	-	-
Total fund balances	166,471	292,368	200	154,442
Total liabilities and fund balances	\$ 166,476	292,368	200	154,442

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	44100	44200	44400	44500
	Athletic Commission	Massage Therapists	Counselors and Therapists	Real Estate Education and Training
ASSETS				
Interest in State Treasurer General Fund Investment Pool	\$ 375,721	464,542	1,033,443	96,705
Petty cash	-	-	-	-
Accounts receivable	-	-	594	9
Prepaid postage	618	2,311	15,409	-
Due from other funds	-	-	-	-
Due from other state agencies	-	-	-	-
Due from federal government	-	-	-	-
Inventories	-	-	-	-
Total assets	\$ 376,339	466,853	1,049,446	96,714
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 5,304	1,088	2,269	16,653
Accrued payroll	4,601	-	5,395	-
Unearned revenues	16,133	140,211	317,757	6,896
Due to State General Fund	373	147	-	-
Due to other state agencies	-	-	-	-
Due to local governments	-	-	-	-
Due to other funds	-	-	-	-
Due to federal government	-	-	-	-
Total liabilities	26,411	141,446	325,421	23,549
Fund Balances				
Nonspendable:				
Prepaid postage	618	2,311	15,409	-
Inventory	-	-	-	-
Restricted	349,310	323,096	708,616	73,165
Unassigned	-	-	-	-
Total fund balances	349,928	325,407	724,025	73,165
Total liabilities and fund balances	\$ 376,339	466,853	1,049,446	96,714

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	44600 Chiropractic Examiners	44700 Board of Dental Examiners	44800 Nutrition and Dietetics	44900 Nursing Home Administration
ASSETS				
Interest in State Treasurer General Fund Investment Pool	\$ 782,766	1,298,309	161,991	133,255
Petty cash	-	-	-	-
Accounts receivable	-	-	59	-
Prepaid postage	1,713	1,917	1,282	197
Due from other funds	-	-	-	-
Due from other state agencies	-	-	-	-
Due from federal government	-	-	-	-
Inventories	-	-	-	-
Total assets	<u>\$ 784,479</u>	<u>1,300,226</u>	<u>163,332</u>	<u>133,452</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 986	3,041	958	172
Accrued payroll	2,653	4,841	-	390
Unearned revenues	219,500	823,528	18,382	34,856
Due to State General Fund	143	-	-	-
Due to other state agencies	-	-	-	-
Due to local governments	-	-	-	-
Due to other funds	-	-	-	-
Due to federal government	-	-	-	-
Total liabilities	<u>223,282</u>	<u>831,410</u>	<u>19,340</u>	<u>35,418</u>
Fund Balances				
Nonspendable:				
Prepaid postage	1,713	1,917	1,282	197
Inventory	-	-	-	-
Restricted	559,484	466,899	142,710	97,837
Unassigned	-	-	-	-
Total fund balances	<u>561,197</u>	<u>468,816</u>	<u>143,992</u>	<u>98,034</u>
Total liabilities and fund balances	<u>\$ 784,479</u>	<u>1,300,226</u>	<u>163,332</u>	<u>133,452</u>

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	45000	45100	45200	45300
	Occupational Therapy	Optometry	Osteopathic Examiners	Podiatry
ASSETS				
Interest in State Treasurer General Fund Investment Pool	\$ 458,673	376,045	672,430	158,443
Petty cash	-	-	-	-
Accounts receivable	-	-	-	-
Prepaid postage	309	1,200	58	1,775
Due from other funds	-	-	-	-
Due from other state agencies	-	-	-	-
Due from federal government	-	-	-	-
Inventories	-	-	-	-
Total assets	\$ 458,982	377,245	672,488	160,218
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 293	291	521	180
Accrued payroll	1,356	1,457	947	491
Unearned revenues	20,943	86,550	133,250	28,550
Due to State General Fund	-	-	-	-
Due to other state agencies	-	-	-	-
Due to local governments	-	-	-	-
Due to other funds	-	-	-	-
Due to federal government	-	-	-	-
Total liabilities	22,592	88,298	134,718	29,221
Fund Balances				
Nonspendable:				
Prepaid postage	309	1,200	58	1,775
Inventory	-	-	-	-
Restricted	436,081	287,747	537,712	129,222
Unassigned	-	-	-	-
Total fund balances	436,390	288,947	537,770	130,997
Total liabilities and fund balances	\$ 458,982	377,245	672,488	160,218

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	45400	45500	45600	45700
	Psychologist Examiners	Physical Therapist	Thanatopractice	Interior Design
ASSETS				
Interest in State Treasurer General Fund Investment Pool	\$ 655,809	992,943	388,448	60,803
Petty cash	-	-	-	-
Accounts receivable	-	77	27	-
Prepaid postage	768	4,353	79	611
Due from other funds	-	-	-	-
Due from other state agencies	-	-	-	-
Due from federal government	-	-	-	-
Inventories	-	-	-	-
Total assets	\$ 656,577	997,373	388,554	61,414
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 4,432	486	662	1,126
Accrued payroll	3,242	2,127	1,722	121
Unearned revenues	317,200	205,099	106,250	4,900
Due to State General Fund	190	-	-	-
Due to other state agencies	-	-	-	-
Due to local governments	-	-	-	-
Due to other funds	-	-	-	-
Due to federal government	-	-	-	-
Total liabilities	325,064	207,712	108,634	6,147
Fund Balances				
Nonspendable:				
Prepaid postage	768	4,353	79	611
Inventory	-	-	-	-
Restricted	330,745	785,308	279,841	54,656
Unassigned	-	-	-	-
Total fund balances	331,513	789,661	279,920	55,267
Total liabilities and fund balances	\$ 656,577	997,373	388,554	61,414

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINING BALANCE SHEET -
ALL NONMAJOR FUNDS
June 30, 2014

	45900 Private Investigators and Polygraph	46000 Landscape Architects	46500 Estate Appraisers	46600 Accountancy
ASSETS				
Interest in State Treasurer General Fund Investment Pool	\$ 163,218	184,587	596,567	789,069
Petty cash	-	-	-	48
Accounts receivable	18	-	49	62
Prepaid postage	2,264	1,528	589	3,299
Due from other funds	-	-	-	-
Due from other state agencies	-	-	-	-
Due from federal government	-	-	-	-
Inventories	-	-	-	-
Total assets	\$ 165,500	186,115	597,205	792,478
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	60	762	1,096
Accrued payroll	-	98	5,346	6,671
Unearned revenues	126,877	37,600	163,178	237,233
Due to State General Fund	1,000	238	-	910
Due to other state agencies	-	-	-	-
Due to local governments	-	-	-	-
Due to other funds	-	-	-	-
Due to federal government	-	-	1,700	-
Total liabilities	127,877	37,996	170,986	245,910
Fund Balances				
Nonspendable:				
Prepaid postage	2,264	1,528	589	3,299
Inventory	-	-	-	-
Restricted	35,359	146,591	425,630	543,269
Unassigned	-	-	-	-
Total fund balances	37,623	148,119	426,219	546,568
Total liabilities and fund balances	\$ 165,500	186,115	597,205	792,478

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINING BALANCE SHEET -
ALL NONMAJOR FUNDS
June 30, 2014

	46700 Real Estate Commission	46900 Social Workers	47100 Acupuncture	47200 HUD Manufactured Housing
ASSETS				
Interest in State Treasurer General Fund Investment Pool	\$ 1,661,913	780,319	401,173	377,535
Petty cash	100	-	-	-
Accounts receivable	-	54	30	-
Prepaid postage	6,568	903	606	-
Due from other funds	-	-	-	-
Due from other state agencies	-	-	-	-
Due from federal government	-	-	-	-
Inventories	-	-	-	-
Total assets	\$ 1,668,581	781,276	401,809	377,535
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 2,147	253	1,418	20
Accrued payroll	10,648	-	1,379	1,657
Unearned revenues	1,243,055	469,250	14,760	-
Due to State General Fund	50	95	95	10
Due to other state agencies	-	-	-	-
Due to local governments	-	-	-	-
Due to other funds	-	-	-	-
Due to federal government	-	-	-	-
Total liabilities	1,255,900	469,598	17,652	1,687
Fund Balances				
Nonspendable:				
Prepaid postage	6,568	903	606	-
Inventory	-	-	-	-
Restricted	406,113	310,775	383,551	375,848
Unassigned	-	-	-	-
Total fund balances	412,681	311,678	384,157	375,848
Total liabilities and fund balances	\$ 1,668,581	781,276	401,809	377,535

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINING BALANCE SHEET -
ALL NONMAJOR FUNDS
June 30, 2014

	47300 Speech Language and Audio	47400 Respiratory Care Advisory	47500 Athletic Trainers	53500 Naprapathy
ASSETS				
Interest in State Treasurer General Fund Investment Pool	\$ 640,237	264,217	107,443	289
Petty cash	-	-	-	-
Accounts receivable	50	-	-	-
Prepaid postage	-	161	370	-
Due from other funds	-	-	-	-
Due from other state agencies	-	-	-	-
Due from federal government	-	-	-	-
Inventories	-	-	-	-
Total assets	\$ 640,287	264,378	107,813	289
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 480	-	1,372	-
Accrued payroll	1,773	599	319	-
Unearned revenues	252,184	101,548	4,315	-
Due to State General Fund	64	366	-	289
Due to other state agencies	-	-	-	-
Due to local governments	-	-	-	-
Due to other funds	-	-	-	-
Due to federal government	-	-	-	-
Total liabilities	254,501	102,513	6,006	289
Fund Balances				
Nonspendable:				
Prepaid postage	-	161	370	-
Inventory	-	-	-	-
Restricted	385,786	161,704	101,437	-
Unassigned	-	-	-	-
Total fund balances	385,786	161,865	101,807	-
Total liabilities and fund balances	\$ 640,287	264,378	107,813	289

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINING BALANCE SHEET -
ALL NONMAJOR FUNDS
June 30, 2014

	64300 Carnival Ride Insurance	87600 Impaired Dentists	89000 ARRA	Total Non-major Funds
ASSETS				
Interest in State Treasurer General Fund Investment Pool	\$ 143,300	73,785	902	19,244,917
Petty cash	-	-	-	148
Accounts receivable	-	-	-	1,702
Prepaid postage	-	-	-	55,266
Due from other funds	-	-	-	-
Due from other state agencies	-	-	-	-
Due from federal government	-	-	-	-
Inventories	-	-	-	13,822
Total assets	\$ 143,300	73,785	902	19,315,855
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	45	2	82,253
Accrued payroll	-	-	-	68,711
Unearned revenues	9,875	-	-	5,148,680
Due to State General Fund	-	-	900	15,277
Due to other state agencies	-	-	-	-
Due to local governments	-	-	-	3,006
Due to other funds	-	-	-	-
Due to federal government	-	-	-	1,700
Total liabilities	9,875	45	902	5,319,627
Fund Balances				
Nonspendable:				
Prepaid postage	-	-	-	55,266
Inventory	-	-	-	13,822
Restricted	133,425	73,740	-	13,927,140
Unassigned	-	-	-	-
Total fund balances	133,425	73,740	-	13,996,228
Total liabilities and fund balances	\$ 143,300	73,785	902	19,315,855

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCES - ALL NONMAJOR FUNDS
Year Ended June 30, 2014

	04400 Sec. Enforce. and Investor Education	11550 FID Settlement Fund	20110 Sign Language Services	20120 Animal Shelter Services
Revenues				
License fees	\$ 752,035	-	4,144	11,287
Services	-	-	67	29
Printing and reproduction	-	-	-	-
Publications	-	-	-	-
Federal sources	-	-	-	-
Interest on investments	1,904	-	193	180
Other revenue	26,944	-	40	-
Total revenues	780,883	-	4,444	11,496
Expenditures				
Current				
Personnel services and employee benefits	313,165	-	59,082	18,398
Contractual services	93,879	-	939	-
In-state travel	981	-	1,455	2,279
Maintenance and repairs	-	-	-	-
Supplies and materials	2,912	-	1,628	323
Operating costs	115,204	19,395	1,185	1,742
Other costs	-	-	91	31
Out-of-state travel	-	3,013	-	-
Capital outlay	-	-	-	-
Total expenditures	526,141	22,408	64,380	22,773
Excess (deficiency) of revenues over (under) expenditures	254,742	(22,408)	(59,936)	(11,277)
Other financing sources (uses)				
Transfers in-interagency	-	-	25,000	-
Transfers out-interagency	-	-	-	-
Transfers in-interfund	-	-	-	-
Transfers out-interfund	(37,423)	-	(18,765)	(13,175)
State General Fund appropriation	-	-	-	28,800
Reversions to State General Fund	-	-	-	(10,402)
Total other financing sources (uses)	(37,423)	-	6,235	5,223
Net change in fund balance	217,319	(22,408)	(53,701)	(6,054)
Fund balances, beginning	2,616,802	1,000,000	302,749	242,612
Restatement	-	-	(223)	(8,894)
Fund balances, beginning of year, as restated	2,616,802	1,000,000	302,526	233,718
Fund balances, end of year	\$ 2,834,121	977,592	248,825	227,664

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCES - ALL NONMAJOR FUNDS
Year Ended June 30, 2014

	21100	29700	37200	37300
	Hoisting Operators	Real Estate Recovery	FID Revolving	CID Revolving
Revenues				
License fees	\$ 23,210	-	-	-
Services	-	-	-	-
Printing and reproduction	-	-	-	-
Publications	-	-	-	2,385
Federal sources	-	-	-	-
Interest on investments	112	209	-	-
Other revenue	-	-	-	-
Total revenues	23,322	209	-	2,385
Expenditures				
Current				
Personnel services and employee benefits	-	-	-	-
Contractual services	-	-	-	-
In-state travel	-	-	-	-
Maintenance and repairs	-	-	-	-
Supplies and materials	-	-	-	-
Operating costs	-	-	-	-
Other costs	-	-	-	-
Out-of-state travel	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	23,322	209	-	2,385
Other financing sources (uses)				
Transfers in-interagency	-	-	-	-
Transfers out-interagency	-	-	-	-
Transfers in-interfund	-	-	-	-
Transfers out-interfund	-	-	-	-
State General Fund appropriation	-	-	-	-
Reversions to State General Fund	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	23,322	209	-	2,385
Fund balances, beginning	143,149	292,159	200	152,057
Restatement	-	-	-	-
Fund balances, beginning of year, as restated	143,149	292,159	200	152,057
Fund balances, end of year	\$ 166,471	292,368	200	154,442

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCES - ALL NONMAJOR FUNDS
Year Ended June 30, 2014

	44100	44200	44400	44500
	Athletic Commission	Massage Therapists	Counselors and Therapists	Real Estate Education and Training
Revenues				
License fees	\$ 28,814	278,986	414,649	1,379
Services	154,584	5,614	18,946	-
Printing and reproduction	-	-	-	-
Publications	-	-	-	-
Federal sources	-	-	-	-
Interest on investments	-	-	765	85
Other revenue	200	13,248	6,800	6,895
Total revenues	183,598	297,848	441,160	8,359
Expenditures				
Current				
Personnel services and employee benefits	70,347	132,177	171,256	-
Contractual services	9,698	-	99	46,078
In-state travel	14,632	1,245	8,438	-
Maintenance and repairs	-	-	-	-
Supplies and materials	1,876	2,752	7,613	-
Operating costs	3,415	10,001	10,326	-
Other costs	93	1,391	4,946	-
Out-of-state travel	-	-	1,629	-
Capital outlay	-	-	-	-
Total expenditures	100,061	147,566	204,307	46,078
Excess (deficiency) of revenues over (under) expenditures	83,537	150,282	236,853	(37,719)
Other financing sources (uses)				
Transfers in-interagency	-	-	-	-
Transfers out-interagency	-	-	-	-
Transfers in-interfund	-	-	-	-
Transfers out-interfund	(16,839)	(53,943)	(84,829)	-
State General Fund appropriation	-	-	-	-
Reversions to State General Fund	-	-	-	-
Total other financing sources (uses)	(16,839)	(53,943)	(84,829)	-
Net change in fund balance	66,698	96,339	152,024	(37,719)
Fund balances, beginning	297,209	364,173	582,670	110,884
Restatement	(13,979)	(135,105)	(10,669)	-
Fund balances, beginning of year, as restated	283,230	229,068	572,001	110,884
Fund balances, end of year	\$ 349,928	325,407	724,025	73,165

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCES - ALL NONMAJOR FUNDS
Year Ended June 30, 2014

	44600	44700	44800	44900
	Chiropractic Examiners	Board of Dental Examiners	Nutrition and Dietetics	Nursing Home Administration
Revenues				
License fees	\$ 208,319	460,423	35,033	60,181
Services	13,880	15,474	66	1,695
Printing and reproduction	-	-	-	-
Publications	-	-	-	-
Federal sources	-	-	-	-
Interest on investments	-	-	-	-
Other revenue	3,800	21,764	600	1,100
Total revenues	225,999	497,661	35,699	62,976
Expenditures				
Current				
Personnel services and employee benefits	83,279	180,406	7,887	11,721
Contractual services	-	-	-	-
In-state travel	2,621	17,294	582	949
Maintenance and repairs	-	-	-	-
Supplies and materials	589	5,273	1,569	236
Operating costs	6,158	26,129	670	2,305
Other costs	895	3,048	357	409
Out-of-state travel	-	3,005	-	-
Capital outlay	-	-	-	-
Total expenditures	93,542	235,155	11,065	15,620
Excess (deficiency) of revenues over (under) expenditures	132,457	262,506	24,634	47,356
Other financing sources (uses)				
Transfers in-interagency	-	-	-	-
Transfers out-interagency	-	-	-	-
Transfers in-interfund	-	-	-	-
Transfers out-interfund	(24,773)	(79,824)	(6,948)	(7,098)
State General Fund appropriation	-	-	-	-
Reversions to State General Fund	-	-	-	-
Total other financing sources (uses)	(24,773)	(79,824)	(6,948)	(7,098)
Net change in fund balance	107,684	182,682	17,686	40,258
Fund balances, beginning	510,914	(14,523)	122,318	70,603
Restatement	(57,401)	300,657	3,988	(12,827)
Fund balances, beginning of year, as restated	453,513	286,134	126,306	57,776
Fund balances, end of year	\$ 561,197	468,816	143,992	98,034

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REGULATION AND LICENSING DEPARTMENT
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCES - ALL NONMAJOR FUNDS
Year Ended June 30, 2014

	45000	45100	45200	45300
	Occupational Therapy	Optometry	Osteopathic Examiners	Podiatry
Revenues				
License fees	\$ 85,818	7,126	9,126	35,250
Services	14,570	6,533	6,126	1,066
Printing and reproduction	-	-	-	-
Publications	-	-	-	-
Federal sources	-	-	-	-
Interest on investments	-	-	-	-
Other revenue	2,215	2,250	4,300	3,500
Total revenues	102,603	15,909	19,552	39,816
Expenditures				
Current				
Personnel services and employee benefits	39,388	37,442	71,393	18,086
Contractual services	-	5,200	-	-
In-state travel	2,163	2,809	1,747	1,121
Maintenance and repairs	-	-	-	-
Supplies and materials	1,530	514	728	752
Operating costs	4,033	3,462	6,567	2,476
Other costs	1,016	412	413	443
Out-of-state travel	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	48,130	49,839	80,848	22,878
Excess (deficiency) of revenues over (under) expenditures	54,473	(33,930)	(61,296)	16,938
Other financing sources (uses)				
Transfers in-interagency	-	-	-	-
Transfers out-interagency	-	-	-	-
Transfers in-interfund	-	-	-	-
Transfers out-interfund	(16,980)	(11,544)	(15,816)	(4,822)
State General Fund appropriation	-	-	-	-
Reversions to State General Fund	-	-	-	-
Total other financing sources (uses)	(16,980)	(11,544)	(15,816)	(4,822)
Net change in fund balance	37,493	(45,474)	(77,112)	12,116
Fund balances, beginning	372,568	246,612	492,970	119,858
Restatement	26,329	87,809	121,912	(977)
Fund balances, beginning of year, as restated	398,897	334,421	614,882	118,881
Fund balances, end of year	\$ 436,390	288,947	537,770	130,997

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCES - ALL NONMAJOR FUNDS
Year Ended June 30, 2014

	45400	45500	45600	45700
	Psychologist Examiners	Physical Therapist	Thanatopractice	Interior Design
Revenues				
License fees	\$ 24,526	183,649	133,902	22,162
Services	4,676	31,880	6,600	-
Printing and reproduction	-	-	-	-
Publications	-	-	8	-
Federal sources	-	-	-	-
Interest on investments	-	673	254	-
Other revenue	1,200	3,400	2,528	700
Total revenues	30,402	219,602	143,292	22,862
Expenditures				
Current				
Personnel services and employee benefits	108,141	60,601	56,669	5,861
Contractual services	4,908	-	-	-
In-state travel	2,615	1,677	4,670	693
Maintenance and repairs	-	-	-	-
Supplies and materials	1,268	3,460	3,497	187
Operating costs	6,865	3,936	2,761	4,386
Other costs	(326)	2,167	330	200
Out-of-state travel	1,356	-	-	-
Capital outlay	-	-	-	-
Total expenditures	124,827	71,841	67,927	11,327
Excess (deficiency) of revenues over (under) expenditures	(94,425)	147,761	75,365	11,535
Other financing sources (uses)				
Transfers in-interagency	-	-	-	-
Transfers out-interagency	-	-	-	-
Transfers in-interfund	-	-	-	-
Transfers out-interfund	(30,187)	(30,228)	(22,218)	(3,241)
State General Fund appropriation	-	-	-	-
Reversions to State General Fund	-	-	-	-
Total other financing sources (uses)	(30,187)	(30,228)	(22,218)	(3,241)
Net change in fund balance	(124,612)	117,533	53,147	8,294
Fund balances, beginning	205,371	642,282	267,656	39,793
Restatement	250,754	29,846	(40,883)	7,180
Fund balances, beginning of year, as restated	456,125	672,128	226,773	46,973
Fund balances, end of year	\$ 331,513	789,661	279,920	55,267

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCES - ALL NONMAJOR FUNDS
Year Ended June 30, 2014

	45900 Private Investigators and Polygraph	46000 Landscape Architects	46500 Real Estate Appraisers	46600 Accountancy
Revenues				
License fees	\$ 129,232	49,525	291,383	511,328
Services	594	340	51,132	9,111
Printing and reproduction	-	-	-	-
Publications	-	-	-	-
Federal sources	-	-	-	-
Interest on investments	221	-	462	551
Other revenue	2,170	5,450	18,990	28,582
Total revenues	132,217	55,315	361,967	549,572
Expenditures				
Current				
Personnel services and employee benefits	175,266	4,276	187,141	230,930
Contractual services	8,050	-	500	36
In-state travel	1,268	2,414	17,065	3,685
Maintenance and repairs	-	-	-	57
Supplies and materials	4,539	221	1,398	9,566
Operating costs	15,056	7,884	8,861	84,140
Other costs	34	237	4,305	2,916
Out-of-state travel	-	-	-	621
Capital outlay	-	-	-	-
Total expenditures	204,213	15,032	219,270	331,951
Excess (deficiency) of revenues over (under) expenditures	(71,996)	40,283	142,697	217,621
Other financing sources (uses)				
Transfers in-interagency	-	-	-	-
Transfers out-interagency	-	-	-	-
Transfers in-interfund	-	-	-	-
Transfers out-interfund	(70,149)	(4,846)	(40,418)	(62,128)
State General Fund appropriation	-	-	-	-
Reversions to State General Fund	-	-	-	-
Total other financing sources (uses)	(70,149)	(4,846)	(40,418)	(62,128)
Net change in fund balance	(142,145)	35,437	102,279	155,493
Fund balances, beginning	80,953	120,643	274,486	308,671
Restatement	98,815	(7,961)	49,454	82,404
Fund balances, beginning of year, as restated	179,768	112,682	323,940	391,075
Fund balances, end of year	\$ 37,623	148,119	426,219	546,568

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCES - ALL NONMAJOR FUNDS
Year Ended June 30, 2014

	46700 Real Estate Commission	46900 Social Workers	47100 Acupuncture	47200 HUD Manufactured Housing
Revenues				
License fees	\$ 731,096	28,917	188,657	20
Services	13,115	7,083	22,070	112,097
Printing and reproduction	-	-	-	-
Publications	20,085	-	-	-
Federal sources	-	-	-	17,512
Interest on investments	-	485	310	-
Other revenue	83,827	9,759	5,745	16,639
Total revenues	848,123	46,244	216,782	146,268
Expenditures				
Current				
Personnel services and employee benefits	570,702	150,636	107,590	53,419
Contractual services	-	3,966	21,000	-
In-state travel	9,410	6,081	2,516	-
Maintenance and repairs	-	-	-	-
Supplies and materials	3,324	2,526	2,374	-
Operating costs	125,139	9,820	7,221	2,000
Other costs	6,646	(548)	22	-
Out-of-state travel	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	715,221	172,481	140,723	55,419
Excess (deficiency) of revenues over (under) expenditures	132,902	(126,237)	76,059	90,849
Other financing sources (uses)				
Transfers in-interagency	-	-	-	-
Transfers out-interagency	-	-	-	-
Transfers in-interfund	-	-	-	-
Transfers out-interfund	(126,113)	(68,228)	(35,405)	(10,434)
State General Fund appropriation	-	-	-	-
Reversions to State General Fund	-	-	-	-
Total other financing sources (uses)	(126,113)	(68,228)	(35,405)	(10,434)
Net change in fund balance	6,789	(194,465)	40,654	80,415
Fund balances, beginning	(145,342)	182,851	183,049	295,433
Restatement	551,234	323,292	160,454	-
Fund balances, beginning of year, as restated	405,892	506,143	343,503	295,433
Fund balances, end of year	\$ 412,681	311,678	384,157	375,848

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCES - ALL NONMAJOR FUNDS
Year Ended June 30, 2014

	47300 Speech Language and Audio	47400 Respiratory Care Advisory	47500 Athletic Trainers	53500 Naprapathy
Revenues				
License fees	\$ 166,459	65,515	29,660	-
Services	10,630	955	270	-
Printing and reproduction	-	-	-	-
Publications	-	-	-	-
Federal sources	-	-	-	-
Interest on investments	413	-	80	-
Other revenue	6,725	2,900	225	-
Total revenues	184,227	69,370	30,235	-
Expenditures				
Current				
Personnel services and employee benefits	73,836	46,397	15,672	-
Contractual services	7,555	-	-	-
In-state travel	1,228	-	1,040	-
Maintenance and repairs	-	-	-	-
Supplies and materials	5,872	174	205	-
Operating costs	7,548	1,789	406	-
Other costs	3,678	1,595	197	-
Out-of-state travel	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	99,717	49,955	17,520	-
Excess (deficiency) of revenues over (under) expenditures	84,510	19,415	12,715	-
Other financing sources (uses)				
Transfers in-interagency	-	-	-	-
Transfers out-interagency	-	-	-	-
Transfers in-interfund	-	-	-	-
Transfers out-interfund	(30,702)	(14,292)	(3,659)	-
State General Fund appropriation	-	-	-	-
Reversions to State General Fund	-	-	-	-
Total other financing sources (uses)	(30,702)	(14,292)	(3,659)	-
Net change in fund balance	53,808	5,123	9,056	-
Fund balances, beginning	400,225	141,702	68,655	-
Restatement	(68,247)	15,040	24,096	-
Fund balances, beginning of year, as restated	331,978	156,742	92,751	-
Fund balances, end of year	\$ 385,786	161,865	101,807	-

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN
FUND BALANCES - ALL NONMAJOR FUNDS
Year Ended June 30, 2014

	64300 Carnival Ride Insurance	87600 Impaired Dentists	89000 ARRA	Total Non-major Funds
Revenues				
License fees	\$ 86,350	-	-	5,058,161
Services	-	16,095	-	525,298
Printing and reproduction	-	-	-	-
Publications	-	-	-	22,478
Federal sources	-	-	-	17,512
Interest on investments	-	-	-	6,897
Other revenue	-	-	-	282,496
Total revenues	86,350	16,095	-	5,912,842
Expenditures				
Current				
Personnel services and employee benefits	-	-	-	3,061,164
Contractual services	-	11,550	-	213,458
In-state travel	-	-	-	112,678
Maintenance and repairs	-	-	-	57
Supplies and materials	-	-	-	66,906
Operating costs	-	-	-	500,880
Other costs	-	-	-	34,998
Out-of-state travel	-	-	-	9,624
Capital outlay	-	-	-	-
Total expenditures	-	11,550	-	3,999,765
Excess (deficiency) of revenues over (under) expenditures	86,350	4,545	-	1,913,077
Other financing sources (uses)				
Transfers in-interagency	-	-	-	25,000
Transfers out-interagency	-	-	-	-
Transfers in-interfund	-	-	-	-
Transfers out-interfund	-	-	-	(945,027)
State General Fund appropriation	-	-	-	28,800
Reversions to State General Fund	-	-	-	(10,402)
Total other financing sources (uses)	-	-	-	(901,629)
Net change in fund balance	86,350	4,545	-	1,011,448
Fund balances, beginning	119,900	69,195	-	11,281,507
Restatement	(72,825)	-	-	1,703,273
Fund balances, beginning of year, as restated	47,075	69,195	-	12,984,780
Fund balances, end of year	\$ 133,425	73,740	-	13,996,228

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 ONLY- CONSTRUCTION INDUSTRIES AND HOUSING (P599)
Year Ended June 30, 2014

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
State general fund appropriation	\$ 7,974,800	8,063,376	8,063,376	-
Federal funds	-	-	-	-
Other licenses and permits	-	-	212	212
Other revenue	-	-	68,975	68,975
Other financing sources	250,000	265,000	214,970	(50,030)
State General Fund Reversions	-	-	(10,000)	(10,000)
Total revenues	8,224,800	8,328,376	8,337,533	9,157
Expenditures				
Personnel services and employee benefits	6,996,400	6,429,669	6,414,774	14,895
Contractual services	73,000	194,807	184,102	10,705
Other	1,155,400	1,703,900	1,701,134	2,766
Total expenditures	8,224,800	8,328,376	8,300,010	28,366
Excess (deficiency) of revenues over expenditures (beginning cash balance used to balance budget	-	-	\$ 37,523	37,523
Cash balance carryforward	-	-		
Total	\$ -	-		

See Notes to Financial Statements.

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 ONLY - FINANCIAL INSTITUTION AND SECURITIES (P600)
Year Ended June 30, 2014

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
State general fund appropriation	\$ 2,526,100	2,391,596	2,391,596	-
Federal funds	-	-	-	-
Other licenses and permits	-	-	112,500	112,500
Other revenue	-	-	592	592
Other financing sources	350,000	370,000	20,000	(350,000)
State General Fund Reversion	-	-	(85,036)	(85,036)
Total revenues	<u>2,876,100</u>	<u>2,761,596</u>	<u>2,439,652</u>	<u>(321,944)</u>
Expenditures				
Personnel services and employee benefits	2,622,700	2,394,196	1,995,528	398,668
Contractual services	18,500	18,500	17,134	1,366
Other	234,900	348,900	313,395	35,505
Total expenditures	<u>2,876,100</u>	<u>2,761,596</u>	<u>2,326,057</u>	<u>435,539</u>
Excess (deficiency) of revenues over expenditures (beginning cash balance used to balance budget	-	-	\$ <u>113,595</u>	<u>113,595</u>
Cash balance carryforward	-	-		
Total	<u>\$ -</u>	<u>-</u>		

See Notes to Financial Statements.

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 ONLY-ALCOHOL AND GAMING (P601)
Year Ended June 30, 2014

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
State general fund appropriation	\$ 884,100	884,100	884,100	-
Federal funds	-	153,000	12,008	(140,992)
Other licenses and permits	-	-	-	-
Other revenue	-	-	-	-
Other financing sources	81,200	41,200	41,200	-
State General Fund Reversion	-	-	(30,970)	(30,970)
Total revenues	965,300	1,078,300	906,338	(171,962)
Expenditures				
Personnel services and employee benefits	897,700	754,700	744,875	9,825
Contractual services	22,700	168,700	27,420	141,280
Other	44,900	154,900	143,042	11,858
Total expenditures	965,300	1,078,300	915,337	162,963
Excess (deficiency) of revenues over expenditures (beginning cash balance used to balance budget	-	-	\$ (8,999)	(8,999)
Cash balance carryforward	-	-		
Total	\$ -	-		

See Notes to Financial Statements.

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 ONLY - PROGRAM SUPPORT (P602)
Year Ended June 30, 2014

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
State general fund appropriation	\$ 1,731,400	1,777,328	1,777,328	-
Federal revenues	-	-	-	-
Other licenses and permits	-	-	250	250
Other revenues	-	-	2,044	2,044
Other financing sources	2,003,400	2,008,400	1,588,536	(419,864)
Reversions to State General Fund	-	-	(39,862)	(39,862)
Total revenues	3,734,800	3,785,728	3,328,296	(457,432)
Expenditures				
Personnel services and employee benefits	2,877,800	2,166,728	1,819,891	346,837
Contractual services	400,300	403,300	340,010	63,290
Other	456,700	1,215,700	1,164,992	50,708
Other financing uses	-	-	-	-
Total expenditures	3,734,800	3,785,728	3,324,893	460,835
Excess (deficiency) of revenues over expenditures (beginning cash balance used to balance budget	-	-	\$ 3,403	3,403
Cash balance carryforward	-	-	-	-
Total	\$ -	-	-	-

See Notes to Financial Statements.

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
SECURITIES ENFORCEMENT AND INVESTOR EDUCATION FUND - 04400
Year Ended June 30, 2014

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Interest on investments	\$ 4,000	4,000	1,904	(2,096)
Trades and professions licenses	600,000	600,000	752,035	152,035
Other gifts and grants	-	-	-	-
Other penalty	80,000	80,000	26,944	(53,056)
Total revenues	684,000	684,000	780,883	96,883
Expenditures				
Personnel services and employee benefits	508,000	508,000	313,165	194,835
Contractual services	174,500	174,500	93,879	80,621
Other	168,500	168,500	119,097	-
Other financing uses	43,900	43,900	37,423	6,477
Total expenditures	894,900	894,900	563,564	281,933
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	(210,900)	(210,900)	\$ 217,319	378,816
Cash balance carryforward	210,900	210,900		
Total	\$ -	-		

See Notes to Financial Statements.

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FID SETTLEMENT FUND - 11550
Year Ended June 30, 2014

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trade and professions licenses	\$ -	-	-	-
Other registration fees	-	-	-	-
Other Exam Fees	-	-	-	-
Interest on investments	-	-	-	-
Other revenue	-	-	-	-
Total revenues	-	-	-	-
Expenditures				
Personnel services and employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	32,500	32,500	22,408	10,092
Other financing uses	-	-	-	-
Total expenditures	32,500	32,500	22,408	10,092
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	(32,500)	(32,500)	<u>(22,408)</u>	<u>10,092</u>
Cash balance carryforward	<u>32,500</u>	<u>32,500</u>		
Total	\$ -	-		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
SIGN LANGUAGE SERVICES BOARD - 20110
Year Ended June 30, 2014

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
License fees	\$ 3,500	3,500	4,144	644
Services	-	-	67	67
Interest on investments	-	-	193	193
Other revenue	-	-	40	40
Other financing sources	25,000	25,000	25,000	-
Total revenues	28,500	28,500	29,444	944
Expenditures				
Personnel services and employee benefits	65,800	65,800	59,082	6,718
Contractual services	11,000	11,000	939	10,061
Other	33,500	33,500	4,359	29,141
Other financing uses	25,100	25,100	18,765	6,335
Total expenditures	135,400	135,400	83,145	52,255
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	(106,900)	(106,900)	\$ (53,701)	53,199
Cash balance carryforward	106,900	106,900		
Total	\$ -	-		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
ANIMAL SHELTERING SERVICES BOARD - 20120
Year Ended June 30, 2014

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Interest on investments	\$ 1,700	1,700	180	(1,520)
License Plates	-	-	11,287	11,287
Other revenue	-	-	29	29
General Fund Appropriation	28,800	28,800	28,800	-
Reversion to State General Fund	-	-	(10,402)	(10,402)
Total revenues	30,500	30,500	29,894	(606)
Expenditures				
Personnel services and employee benefits	48,400	28,400	18,398	10,002
Contractual services	23,200	200	-	200
Other	5,900	48,900	4,375	44,525
Other financing uses	17,300	17,300	13,175	4,125
Total expenditures	94,800	94,800	35,948	58,852
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	(64,300)	(64,300)	\$ (6,054)	58,246
Cash balance carryforward	64,300	64,300		
Total	\$ -	-		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
HOISTING OPERATORS - 21100
Year Ended June 30, 2014

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Other Licenses & Permits	\$ -	-	23,210	23,210
Other revenue	-	-	112	112
Total revenues	<u>-</u>	<u>-</u>	<u>23,322</u>	<u>23,322</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>\$ 23,322</u>	<u>23,322</u>
Cash balance carryforward	<u>-</u>	<u>-</u>		
Total	<u>\$ -</u>	<u>-</u>		

STATE OF NEW MEXICO
 REGULATION AND LICENSING DEPARTMENT
 STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
 REAL ESTATE RECOVERY FUND - 29700
 Year Ended June 30, 2014

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Other revenue	\$ 400	400	209	(191)
Total revenues	<u>400</u>	<u>400</u>	<u>209</u>	<u>(191)</u>
Expenditures				
Other	50,000	50,000	-	50,000
Total expenditures	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	(49,600)	(49,600)	<u>\$ 209</u>	<u>49,809</u>
Cash balance carryforward	<u>49,600</u>	<u>49,600</u>		
Total	<u>\$ -</u>	<u>-</u>		

STATE OF NEW MEXICO
 REGULATION AND LICENSING DEPARTMENT
 STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
 FID REVOLVING FUND - 37200
 Year Ended June 30, 2014

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

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
CONSTRUCTION INDUSTRIES REVOLVING FUND - 37300
Year Ended June 30, 2014

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Other revenue	\$ 10,500	10,500	2,385	(8,115)
Total revenues	<u>10,500</u>	<u>10,500</u>	<u>2,385</u>	<u>(8,115)</u>
Expenditures				
Other	<u>51,300</u>	<u>51,300</u>	-	51,300
Total expenditures	<u>51,300</u>	<u>51,300</u>	<u>-</u>	<u>51,300</u>
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	(40,800)	(40,800)	<u>\$ 2,385</u>	<u>43,185</u>
Cash balance carryforward	<u>-</u>	<u>-</u>		
Total	<u>\$ -</u>	<u>-</u>		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
ATHLETIC COMMISSION - 44100
Year Ended June 30, 2014

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trade and professions licenses	\$ 500	500	28,814	28,314
Registration for trades and professions licenses	125,000	125,000	154,584	29,584
Other current services	-	-	-	-
Miscellaneous revenue	-	-	200	200
Total revenues	<u>125,500</u>	<u>125,500</u>	<u>183,598</u>	<u>58,098</u>
Expenditures				
Personnel services and employee benefits	66,600	74,725	70,347	4,378
Contractual services	11,000	13,000	9,698	3,302
Other	28,300	24,500	20,016	4,484
Other financing uses	20,600	20,600	16,839	3,761
Total expenditures	<u>126,500</u>	<u>132,825</u>	<u>116,900</u>	<u>15,925</u>
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	(1,000)	(7,325)	<u>\$ 66,698</u>	<u>74,023</u>
Cash balance carryforward	<u>1,000</u>	<u>7,325</u>		
Total	<u>\$ -</u>	<u>-</u>		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
MASSAGE THERAPY BOARD - 44200
Year Ended June 30, 2014

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 70,500	70,500	278,986	208,486
Registration for trades and professions licenses	154,500	154,500	5,614	(148,886)
Other current services	3,500	3,500	-	(3,500)
Other penalties	13,600	13,600	-	(13,600)
Miscellaneous revenue	-	-	13,248	13,248
Total revenues	242,100	242,100	297,848	55,748
Expenditures				
Personnel services and employee benefits	166,000	163,500	132,177	31,323
Contractual services	2,000	2,000	-	2,000
Other	18,000	20,500	15,389	5,111
Other financing uses	70,100	70,100	53,943	16,157
Total expenditures	256,100	256,100	201,509	54,591
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	(14,000)	(14,000)	\$ 96,339	110,339
Cash balance carryforward	14,000	14,000		
Total	\$ -	-		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
COUNSELORS AND THERAPY PRACTICE BOARD - 44400
Year Ended June 30, 2014

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 96,300	96,300	414,649	318,349
Registration for trades and professions licenses	331,000	331,000	18,946	(312,054)
Trades and professions examination fees	12,900	12,900	-	(12,900)
Other current services	12,000	12,000	6,800	(5,200)
Interest Investments	-	-	765	765
Other penalties	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Total revenues	452,200	452,200	441,160	(11,040)
Expenditures				
Personnel services and employee benefits	298,500	298,500	171,256	127,244
Contractual services	10,500	10,500	99	10,401
Other	57,800	57,800	32,952	24,848
Other financing uses	110,000	110,000	84,829	25,171
Total expenditures	476,800	476,800	289,136	187,664
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	(24,600)	(24,600)	\$ 152,024	176,624
Cash balance carryforward	24,600	24,600		
Total	\$ -	-		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
REAL ESTATE EDUCATION & TRAINING - 44500
Year Ended June 30, 2014

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Registration for trades and professions licenses	\$ -	-	1,379	1,379
Miscellaneous revenue	-	-	6,980	6,980
Total revenues	<u>-</u>	<u>-</u>	<u>8,359</u>	<u>8,359</u>
Expenditures				
Contractual services	47,000	47,000	46,078	922
Total expenditures	<u>47,000</u>	<u>47,000</u>	<u>46,078</u>	<u>922</u>
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	(47,000)	(47,000)	<u>\$ (37,719)</u>	<u>9,281</u>
Cash balance carryforward	<u>47,000</u>	<u>47,000</u>		
Total	<u>\$ -</u>	<u>-</u>		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
BOARD OF CHIROPRACTIC EXAMINERS - 44600
Year Ended June 30, 2014

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 149,800	149,800	208,319	58,519
Registration for trades and professions licenses	-	-	13,880	13,880
Other current services	-	-	-	-
Miscellaneous revenue	-	-	3,800	3,800
Total revenues	<u>149,800</u>	<u>149,800</u>	<u>225,999</u>	<u>76,199</u>
Expenditures				
Personnel services and employee benefits	96,100	96,100	83,279	12,821
Contractual services	4,100	4,100	-	4,100
Other	17,800	17,800	10,263	7,537
Other financing uses	32,400	32,400	24,773	7,627
Total expenditures	<u>150,400</u>	<u>150,400</u>	<u>118,315</u>	<u>32,085</u>
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	(600)	(600)	<u>\$ 107,684</u>	<u>108,284</u>
Cash balance carryforward	<u>600</u>	<u>600</u>		
Total	<u>\$ -</u>	<u>-</u>		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
BOARD OF DENTAL EXAMINERS - 44700
Year Ended June 30, 2014

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 120,000	120,000	460,423	340,423
Registration for trades and professions licenses	283,400	283,400	-	(283,400)
Other current services	-	-	15,474	15,474
Trades and professions examination fees	1,000	1,000	-	(1,000)
Miscellaneous revenue	-	-	21,764	21,764
Total revenues	404,400	404,400	497,661	93,261
Expenditures				
Personnel services and employee benefits	226,200	226,200	180,406	45,794
Contractual services	10,000	10,000	-	10,000
Other	64,700	64,700	54,749	9,951
Other financing uses	103,500	103,500	79,824	23,676
Total expenditures	404,400	404,400	314,979	89,421
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	-	-	\$ 182,682	182,682
Cash balance carryforward	-	-		
Total	\$ -	-		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
NUTRITION AND DIETETICS PRACTICE BOARD - 44800
Year Ended June 30, 2014

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 10,000	10,000	35,033	25,033
Other licenses and permits	-	-	66	66
Registration for trades and professions licenses	22,900	22,900	-	(22,900)
Other current services	-	-	-	-
Other penalties	-	-	-	-
Miscellaneous revenue	-	-	600	600
Total revenues	32,900	32,900	35,699	2,799
Expenditures				
Personnel services and employee benefits	9,700	9,700	7,887	1,813
Contractual services	-	-	-	-
Other	14,100	14,100	3,178	10,922
Other financing uses	9,100	9,100	6,948	2,152
Total expenditures	32,900	32,900	18,013	14,887
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	-	-	<u>\$ 17,686</u>	<u>17,686</u>
Cash balance carryforward	-	-		
Total	\$ -	-		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
BOARD OF NURSING HOME ADMINISTRATORS - 44900
Year Ended June 30, 2014

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 10,000	10,000	60,181	50,181
Other licenses and permits	-	-	1,695	1,695
Registration for trades and professions licenses	22,900	22,900	-	(22,900)
Other current services	-	-	-	-
Miscellaneous revenue	-	-	1,100	1,100
Total revenues	32,900	32,900	62,976	30,076
Expenditures				
Personnel services and employee benefits	14,700	14,700	11,721	2,979
Contractual	1,000	1,000	-	1,000
Other	7,000	7,000	3,899	3,101
Other financing uses	9,500	9,500	7,098	2,402
Total expenditures	32,200	32,200	22,718	9,482
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	700	700	\$ 40,258	39,558
Cash balance carryforward	(700)	(700)		
Total	\$ -	-		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
BOARD OF OCCUPATIONAL THERAPY PRACTICE - 45000
Year Ended June 30, 2014

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 11,200	11,200	85,818	74,618
Other licenses and permits	200	200	14,570	14,370
Registration for trades and professions licenses	57,000	57,000	-	(57,000)
Trades and professions examination fees	1,300	1,300	-	(1,300)
Other current services	9,500	9,500	-	(9,500)
Other penalties	1,600	1,600	-	(1,600)
Miscellaneous revenue	-	-	2,215	2,215
Total revenues	80,800	80,800	102,603	21,803
Expenditures				
Personnel services and employee benefits	51,800	51,800	39,388	12,412
Contractual services	3,000	3,000	-	3,000
Other	20,200	20,200	8,742	11,458
Other financing uses	21,500	21,500	16,980	4,520
Total expenditures	96,500	96,500	65,110	31,390
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	(15,700)	(15,700)	\$ 37,493	53,193
Cash balance carryforward	15,700	15,700		
Total	\$ -	-		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
OPTOMETRY BOARD - 45100
Year Ended June 30, 2014

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 4,600	4,600	7,126	2,526
Other licenses and permits	-	-	6,533	6,533
Registration for trades and professions licenses	67,000	67,000	-	(67,000)
Trades and professions examination fees	7,200	7,200	-	(7,200)
Other current services	800	800	-	(800)
Other penalties	2,900	2,900	-	(2,900)
Miscellaneous revenue	-	-	2,250	2,250
Total revenues	82,500	82,500	15,909	(66,591)
Expenditures				
Personnel services and employee benefits	50,900	50,900	37,442	13,458
Contractual services	10,600	10,600	5,200	5,400
Other	12,200	12,200	7,197	5,003
Other financing uses	14,900	14,900	11,544	3,356
Total expenditures	88,600	88,600	61,383	27,217
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	(6,100)	(6,100)	\$ (45,474)	(39,374)
Cash balance carryforward	6,100	6,100		
Total	\$ -	-		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
BOARD OF OSTEOPATHIC MEDICAL EXAMINERS - 45200
Year Ended June 30, 2014

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 27,600	27,600	9,126	(18,474)
Other licenses and permits	-	-	6,126	6,126
Registration for trades and professions licenses	95,000	95,000	-	(95,000)
Other current services	3,800	3,800	-	(3,800)
Other penalties	5,900	5,900	-	(5,900)
Miscellaneous revenue	-	-	4,300	4,300
Total revenues	132,300	132,300	19,552	(112,748)
Expenditures				
Personnel services and employee benefits	92,100	92,100	71,393	20,707
Contractual services	2,000	2,000	-	2,000
Other	20,900	20,900	9,455	11,445
Other financing uses	19,600	19,600	15,816	3,784
Total expenditures	134,600	134,600	96,664	37,936
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	(2,300)	(2,300)	\$ (77,112)	(74,812)
Cash balance carryforward	2,300	2,300		
Total	\$ -	-		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
PODIATRY BOARD - 45300
Year Ended June 30, 2014

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 4,300	4,300	35,250	30,950
Other licenses and permits	-	-	1,066	1,066
Registration for trades and professions licenses	2,000	2,000	-	(2,000)
Other registration fees	31,000	31,000	-	(31,000)
Other current services	600	600	-	(600)
Other penalties	300	300	-	(300)
Miscellaneous revenue	-	-	3,500	3,500
Total revenues	38,200	38,200	39,816	1,616
Expenditures				
Personnel services and employee benefits	22,800	22,800	18,086	4,714
Contractual services	1,000	1,000	-	1,000
Other	10,900	10,900	4,792	6,108
Other financing uses	6,100	6,100	4,822	1,278
Total expenditures	40,800	40,800	27,700	13,100
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	(2,600)	(2,600)	\$ 12,116	14,716
Cash balance carryforward	2,600	2,600		
Total	\$ -	-		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
PSYCHOLOGY BOARD - 45400
Year Ended June 30, 2014

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 17,700	17,700	24,526	6,826
Other licenses and permits	-	-	4,676	4,676
Registration for trades and professions licenses	200,000	200,000	-	(200,000)
Other current services	-	-	-	-
Miscellaneous revenue	-	-	1,200	1,200
Total revenues	217,700	217,700	30,402	(187,298)
Expenditures				
Personnel services and employee benefits	136,300	136,300	108,141	28,159
Contractual services	13,400	13,400	4,908	8,492
Other	29,300	29,300	11,778	17,522
Other financing uses	39,200	39,200	30,187	9,013
Total expenditures	218,200	218,200	155,014	63,186
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	(500)	(500)	\$ (124,612)	(124,112)
Cash balance carryforward	500	500		
Total	\$ -	-		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
PHYSICAL THERAPY BOARD - 45500
Year Ended June 30, 2014

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 63,200	63,200	183,649	120,449
Other licenses and permits	-	-	31,880	31,880
Registration for trades and professions licenses	100,000	100,000	-	(100,000)
Trades and professions examination fees	9,000	9,000	-	(9,000)
Interest on investments	-	-	673	673
Other penalties	-	-	-	-
Miscellaneous revenue	-	-	3,400	3,400
Total revenues	172,200	172,200	219,602	47,402
Expenditures				
Personnel services and employee benefits	73,000	73,000	60,601	12,399
Contractual services	10,000	10,000	-	10,000
Other	50,100	50,100	11,240	38,860
Other financing uses	39,100	39,100	30,228	8,872
Total expenditures	172,200	172,200	102,069	70,131
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	-	-	\$ 117,533	117,533
Cash balance carryforward	-	-	-	-
Total	\$ -	-	-	-

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
THANATOPRACTICE BOARD - 45600
Year Ended June 30, 2014

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 24,000	24,000	133,902	109,902
Other licenses and permits	-	-	6,600	6,600
Registration for trades and professions licenses	93,700	93,700	-	(93,700)
Trades and professional examination fees	1,000	1,000	-	-
Other current services	500	500	-	(500)
Other penalties	3,000	3,000	8	(2,992)
Interest on bank deposits	-	-	254	254
Miscellaneous revenue	-	-	2,528	2,528
Total revenues	122,200	122,200	143,292	22,092
Expenditures				
Personnel services and employee benefits	76,600	80,100	56,669	23,431
Contractual services	5,700	5,700	-	5,700
Other	23,200	19,700	11,258	8,442
Other financing uses	28,900	28,900	22,218	6,682
Total expenditures	134,400	134,400	90,145	44,255
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	(12,200)	(12,200)	\$ 53,147	66,347
Cash balance carryforward	12,200	12,200		
Total	\$ -	-		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
INTERIOR DESIGN BOARD - 45700
Year Ended June 30, 2014

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ -	-	22,162	22,162
Other licenses and permits	-	-	-	-
Registration for trades and professions licenses	17,500	17,500	-	(17,500)
Miscellaneous revenue	-	-	700	700
Total revenues	17,500	17,500	22,862	5,362
Expenditures				
Personnel services and employee benefits	6,500	7,375	5,861	1,514
Contractual services	-	-	-	-
Other	6,600	6,600	5,466	1,134
Other financing uses	4,400	4,400	3,241	1,159
Total expenditures	17,500	18,375	14,568	3,807
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	-	(875)	\$ 8,294	9,169
Cash balance carryforward	-	875		
Total	\$ -	-		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
PRIVATE INVESTIGATORS AND POLYGRAPHERS BOARD - 45900
Year Ended June 30, 2014

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 68,000	68,000	129,232	61,232
Other licenses and permits	-	-	594	594
Registration for trades and professions licenses	154,000	154,000	-	(154,000)
Other registration fees	99,000	99,000	-	(99,000)
Interest on investments	-	-	221	221
Other penalties	2,900	2,900	-	(2,900)
Miscellaneous revenue	-	-	2,170	2,170
Total revenues	323,900	323,900	132,217	(191,683)
Expenditures				
Personnel services and employee benefits	199,100	192,100	175,266	16,834
Contractual services	5,000	12,000	8,050	3,950
Other	39,300	39,300	20,897	18,403
Other financing uses	87,500	87,500	70,149	17,351
Total expenditures	330,900	330,900	274,362	56,538
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	(7,000)	(7,000)	<u>\$ (142,145)</u>	<u>(135,145)</u>
Cash balance carryforward	<u>7,000</u>	<u>7,000</u>		
Total	\$ -	-		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
BOARD OF LANDSCAPE ARCHITECTS - 46000
Year Ended June 30, 2014

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ -	-	49,525	49,525
Registration for trades and professions licenses	26,400	26,400	340	(26,060)
Other penalties	-	-	-	-
Other financing sources	-	-	5,450	5,450
Total revenues	26,400	26,400	55,315	28,915
Expenditures				
Personnel services and employee benefits	5,800	5,800	4,276	1,524
Contractual services	500	500	-	500
Other	13,600	13,600	10,756	2,844
Other financing uses	6,500	6,500	4,846	1,654
Total expenditures	26,400	26,400	19,878	6,522
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	-	-	\$ 35,437	35,437
Cash balance carryforward	-	-	-	-
Total	\$ -	-	-	-

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
REAL ESTATE APPRAISERS BOARD - 46500
Year Ended June 30, 2014

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 70,400	70,400	291,383	220,983
Other licenses and permits	-	-	51,132	51,132
Registration for trades and professions licenses	152,000	152,000	-	(152,000)
Other registration fees	-	-	-	-
Other current services	47,800	47,800	-	(47,800)
Interest on investments	-	-	462	462
Other penalties	3,300	3,300	-	(3,300)
Miscellaneous revenue	26,000	26,000	18,990	(7,010)
Total revenues	299,500	299,500	361,967	62,467
Expenditures				
Personnel services and employee benefits	203,700	193,700	187,141	6,559
Contractual services	22,500	9,000	500	8,500
Other	23,800	47,300	31,629	15,671
Other financing uses	51,800	51,800	40,418	11,382
Total expenditures	301,800	301,800	259,688	42,112
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	(2,300)	(2,300)	\$ 102,279	104,579
Cash balance carryforward	2,300	2,300		
Total	\$ -	-		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
BOARD OF ACCOUNTANCY - 46600
Year Ended June 30, 2014

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 21,000	21,000	511,328	490,328
Other licenses and permits	-	-	9,111	9,111
Registration for trades and professions licenses	455,000	455,000	-	(455,000)
Trades and professions examination fees	6,500	6,500	-	-
Other current services	500	500	-	(500)
Interest on investments	800	800	551	(249)
Other penalties	22,000	22,000	-	(22,000)
Miscellaneous revenue	5,700	5,700	28,582	22,882
Total revenues	511,500	511,500	549,572	44,572
Expenditures				
Personnel services and employee benefits	310,200	310,200	230,930	79,270
Contractual services	16,600	16,600	36	16,564
Other	117,600	117,600	100,985	16,615
Other financing uses	79,200	79,200	62,128	17,072
Total expenditures	523,600	523,600	394,079	129,521
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	(12,100)	(12,100)	\$ 155,493	174,093
Cash balance carryforward	12,100	12,100		
Total	\$ -	-		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
REAL ESTATE COMMISSION - 46700
Year Ended June 30, 2014

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 116,700	116,700	731,096	614,396
Registration for trades and professions licenses	555,600	555,600	-	(555,600)
Other registration fees	37,900	37,900	-	(37,900)
Trades and professions examination fees	2,300	2,300	-	(2,300)
Other current services	-	-	-	-
Manuals and codes	12,000	12,000	13,115	1,115
Other publications	-	-	20,085	20,085
Other penalties	79,500	79,500	-	(79,500)
Miscellaneous revenue	-	-	83,827	83,827
Total revenues	804,000	804,000	848,123	44,123
Expenditures				
Personnel services and employee benefits	582,800	577,800	570,702	7,098
Contractual services	8,000	-	-	-
Other	145,300	158,300	144,519	13,781
Other financing uses	159,900	159,900	126,113	33,787
Total expenditures	896,000	896,000	841,334	54,666
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	(92,000)	(92,000)	\$ 6,789	98,789
Cash balance carryforward	92,000	92,000		
Total	\$ -	-		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
SOCIAL WORK EXAMINERS BOARD - 46900
Year Ended June 30, 2014

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 55,000	55,000	28,917	(26,083)
Other licenses and permits	-	-	7,083	7,083
Registration for trades and professions licenses	237,000	237,000	-	(237,000)
Other current services	5,800	5,800	-	(5,800)
Interest on bank deposits	-	-	-	-
Interest on investments	-	-	485	485
Other penalties	4,100	4,100	-	(4,100)
Other Financing Sources	-	-	9,759	9,759
Total revenues	301,900	301,900	46,244	(255,656)
Expenditures				
Personnel services and employee benefits	198,200	198,200	150,636	47,564
Contractual services	4,000	4,000	3,966	34
Other	38,700	38,700	17,879	20,821
Other financing uses	89,800	89,800	68,228	21,572
Total expenditures	330,700	330,700	240,709	89,991
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	(28,800)	(28,800)	\$ (194,465)	(165,665)
Cash balance carryforward	28,800	28,800		
Total	\$ -	-		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
ACUPUNCTURE BOARD - 47100
Year Ended June 30, 2014

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 11,800	11,800	188,657	176,857
Other licenses and permits	-	-	22,070	22,070
Registration for trades and professions licenses	154,500	154,500	-	(154,500)
Trades and professions examination fees	9,700	9,700	-	(9,700)
Other current services	-	-	-	-
Manuals and codes	-	-	-	-
Other penalties	-	-	-	-
Interest on bank deposits	-	-	310	310
Miscellaneous revenue	-	-	5,745	5,745
Total revenues	176,000	176,000	216,782	40,782
Expenditures				
Personnel services and employee benefits	135,600	135,600	107,590	28,010
Contractual services	22,100	22,100	21,000	1,100
Other	21,600	21,600	12,133	9,467
Other financing uses	46,600	46,600	35,405	11,195
Total expenditures	225,900	225,900	176,128	49,772
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	(49,900)	(49,900)	\$ 40,654	90,554
Cash balance carryforward	49,900	49,900		
Total	\$ -	-		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
HUD MANUFACTURED HOUSING - 47200
Year Ended June 30, 2014

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ -	-	20	20
Federal Grants	10,000	10,000	17,512	7,512
Other Current Services	19,500	19,500	112,097	92,597
House trailer inspection fees	40,000	40,000	16,639	(23,361)
Total revenues	<u>69,500</u>	<u>69,500</u>	<u>146,268</u>	<u>76,768</u>
Expenditures				
Personnel services and employee benefits	61,100	61,100	53,419	7,681
Contractual services	-	-	-	-
Other financing uses	12,800	12,800	10,434	2,366
Other	5,900	5,900	2,000	3,900
Total expenditures	<u>79,800</u>	<u>79,800</u>	<u>65,853</u>	<u>13,947</u>
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	(10,300)	(10,300)	<u>\$ 80,415</u>	<u>90,715</u>
Cash balance carryforward	<u>10,300</u>	<u>10,300</u>		
Total	<u><u>\$ -</u></u>	<u><u>-</u></u>		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
SPEECH, LANGUAGE PATHOLOGY, AND AUDIOLOGY BOARD - 47300
Year Ended June 30, 2014

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 20,700	20,700	166,459	145,759
Other licenses and permits	-	-	10,630	10,630
Registration for trades and professions licenses	140,000	140,000	-	(140,000)
Trades and professions examination fees	-	-	-	-
Other current services	-	-	-	-
Interest on investments	-	-	413	413
Other penalties	-	-	-	-
Miscellaneous revenue	-	-	6,725	6,725
Total revenues	160,700	160,700	184,227	23,527
Expenditures				
Personnel services and employee benefits	91,000	91,000	73,836	17,164
Contractual services	7,700	7,700	7,555	145
Other	22,800	22,800	18,326	4,474
Other financing uses	40,000	40,000	30,702	9,298
Total expenditures	161,500	161,500	130,419	31,081
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	(800)	(800)	\$ 53,808	54,608
Cash balance carryforward	800	800		
Total	\$ -	-		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
RESPIRATORY CARE ADVISORY BOARD - 47400
Year Ended June 30, 2014

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 5,000	5,000	65,515	60,515
Other licenses and permits	-	-	955	955
Registration for trades and professions licenses	72,900	72,900	-	(72,900)
Other registration fees	-	-	-	-
Other current services	-	-	-	-
Other penalties	-	-	2,900	2,900
Total revenues	77,900	77,900	69,370	(8,530)
Expenditures				
Personnel services and employee benefits	53,300	58,220	46,397	11,823
Contractual services	-	-	-	-
Other	6,900	5,900	3,558	2,342
Other financing uses	18,200	18,200	14,292	3,908
Total expenditures	78,400	82,320	64,247	18,073
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	(500)	(4,420)	\$ 5,123	9,543
Cash balance carryforward	500	4,420		
Total	\$ -	-		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
ATHLETIC TRAINER'S BOARD - 47500
Year Ended June 30, 2014

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ 6,500	6,500	29,660	23,160
Registration for trades and professions licenses	18,300	18,300	-	(18,300)
Other current services	-	-	270	270
Other penalties	200	200	225	25
Interest on investments	-	-	80	80
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>30,235</u>	<u>5,235</u>
Expenditures				
Personnel services and employee benefits	14,800	16,800	15,672	1,128
Contractual services	500	-	-	-
Other	5,800	4,300	1,848	2,452
Other financing uses	4,700	4,700	3,659	1,041
Total expenditures	<u>25,800</u>	<u>25,800</u>	<u>21,179</u>	<u>4,621</u>
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	(800)	(800)	<u>\$ 9,056</u>	<u>9,856</u>
Cash balance carryforward	<u>800</u>	<u>800</u>		
Total	<u>\$ -</u>	<u>-</u>		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
NAPRAPATHY BOARD - 53500
Year Ended June 30, 2014

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Trades and professions licenses	\$ -	-	-	-
Registration for trades and professions licenses	-	-	-	-
Other current services	-	-	-	-
<u>Total revenues</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Other financing uses	-	-	-	-
Other	-	-	-	-
<u>Total expenditures</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	-	-	<u>\$ -</u>	<u>-</u>
Cash balance carryforward	<u>-</u>	<u>-</u>		
<u>Total</u>	<u>\$ -</u>	<u>-</u>		

STATE OF NEW MEXICO
 REGULATION AND LICENSING DEPARTMENT
 STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
 CARNIVAL RIDE INSURANCE - 64300
 Year Ended June 30, 2014

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Other licenses and permits	\$ -	-	86,350	86,350
Total revenues	-	-	86,350	86,350
Expenditures				
Other financing uses	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	-	-	\$ 86,350	86,350
Cash balance carryforward	-	-		
Total	\$ -	-		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
IMPAIRED DENTISTS AND DENTAL HYGIENISTS BOARD - 87600
Year Ended June 30, 2014

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Other services	\$ 3,400	3,400	16,095	12,695
Total revenues	<u>3,400</u>	<u>3,400</u>	<u>16,095</u>	<u>12,695</u>
Expenditures				
Contractual services	15,000	15,000	11,550	3,450
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>11,550</u>	<u>3,450</u>
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	(11,600)	(11,600)	<u>\$ 4,545</u>	<u>16,145</u>
Cash balance carryforward	<u>11,600</u>	<u>11,600</u>		
Total	<u>\$ -</u>	<u>-</u>		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
ARRA - 89000
Year Ended June 30, 2014

	Original Budget	Revised Budget	Actual Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
Federal Grants	\$ -	-	-	-
<u>Total revenues</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Personal services and employee benefits	-	-	-	-
Contractual services	-	-	-	-
Other	-	-	-	-
<u>Total expenditures</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures (prior year cash balance required to balance budget)	-	-	\$ -	-
Cash balance carryforward	-	-		
<u>Total</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
June 30, 2014

	43500	43600	43700
	FID Receipts	MHD Receipts	CID Receipts
ASSETS			
Interest in State Treasurer General			
Fund Investment Pool	\$ -	337,559	2,632,940
Due from other state agencies	-	-	-
	<hr/>		
Total Assets	-	337,559	2,632,940
	<hr/> <hr/>		
LIABILITIES			
Accounts payable	\$ -	100	2,729
Other liabilities	-	190,010	1,721,889
Due to State General Fund	-	147,449	908,322
	<hr/>		
Total Liabilities	-	337,559	2,632,940
	<hr/> <hr/>		

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
June 30, 2014

	43800 SEC Receipts	80800 Alcohol and Gaming Receipts	Total
ASSETS			
Interest in State Treasurer General Fund Investment Pool	\$ -	-	2,970,499
Due from other state agencies	-	-	-
	<u>-</u>	<u>-</u>	<u>2,970,499</u>
LIABILITIES			
Accounts payable	\$ -	-	2,829
Other liabilities	-	-	1,911,899
Due to State General Fund	-	-	1,055,771
	<u>-</u>	<u>-</u>	<u>2,970,499</u>

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINING SCHEDULE OF CHANGES
IN ASSETS AND LIABILITIES
AGENCY FUNDS
June 30, 2014

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
FID RECEIPTS- 43500				
ASSETS				
Interest in State Treasurer General Fund Investment Pool	\$ 13,816	6,593,973	(6,607,789)	-
Total assets	<u>\$ 13,816</u>	<u>6,593,973</u>	<u>(6,607,789)</u>	<u>-</u>
LIABILITIES				
Due to State General Fund - reversions	13,816	6,593,973	(6,607,789)	-
Total liabilities	<u>\$ 13,816</u>	<u>6,593,973</u>	<u>(6,607,789)</u>	<u>-</u>
MHD RECEIPTS- 43600				
ASSETS				
Interest in State Treasurer General Fund Investment Pool	\$ 217,828	941,340	(821,609)	337,559
Total assets	<u>\$ 217,828</u>	<u>941,340</u>	<u>(821,609)</u>	<u>337,559</u>
LIABILITIES				
Accounts Payable	\$ 55	1,215	(1,170)	100
Other Liabilities	204,013	134,352	(148,355)	190,010
Due to State General Fund - stale date warrants	-	50	(50)	-
Due to State General Fund - reversions	13,760	805,723	(672,034)	147,449
Total liabilities	<u>\$ 217,828</u>	<u>941,340</u>	<u>(821,609)</u>	<u>337,559</u>

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINING SCHEDULE OF CHANGES
IN ASSETS AND LIABILITIES (CONTINUED)
AGENCY FUNDS
June 30, 2014

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
CID RECEIPTS- 43700				
ASSETS				
Interest in State Treasurer General Fund Investment Pool	\$ 1,551,684	6,121,565	(5,040,309)	2,632,940
Total assets	\$ 1,551,684	6,121,565	(5,040,309)	2,632,940
LIABILITIES				
Accounts Payable	\$ 1,717	1,012	-	2,729
Other Liabilities	1,415,663	1,243,842	(937,616)	1,721,889
Due to State General Fund - stale dated warrants	67	533	(600)	-
Due to State General Fund - reversions	134,237	4,876,178	(4,102,093)	908,322
Total liabilities	\$ 1,551,684	6,121,565	(5,040,309)	2,632,940
SEC RECEIPTS -43800				
ASSETS				
Interest in State Treasurer General Fund Investment Pool	\$ 348,740	20,229,950	(20,578,690)	-
Total assets	\$ 348,740	20,229,950	(20,578,690)	-
LIABILITIES				
Accounts Payable	\$ -	350	(350)	-
Due to State General Fund - stale date warrants	1,450	325	(1,775)	-
Due to State General Fund - reversions	\$ 347,290	20,229,275	(20,576,565)	-
Total liabilities	\$ 348,740	20,229,950	(20,578,690)	-

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
COMBINING SCHEDULE OF CHANGES
IN ASSETS AND LIABILITIES (CONTINUED)
AGENCY FUNDS
June 30, 2014

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
ALCOHOL AND GAMING RECEIPTS -80800				
ASSETS				
Interest in State Treasurer General Fund Investment Pool	\$ 63,363	3,788,970	(3,852,333)	-
Total assets	\$ 63,363	3,788,970	(3,852,333)	-
LIABILITIES				
Accounts Payable	\$ 3,450	-	(3,450)	-
Other liabilities	155	-	(155)	-
Due to State General Fund - stale date warrants	-	-	-	-
Due to State General Fund - reversions	59,758	3,788,970	(3,848,728)	-
Total liabilities	\$ 63,363	3,788,970	(3,852,333)	-

See Notes to Financial Statements.

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
SCHEDULE OF CASH ACCOUNTS
Year Ended June 30, 2014

<u>Name of Fund</u>	<u>Fund Type</u>	<u>SHARE Fund Number</u>	<u>Interest Bearing</u>	<u>Type of Account</u>	<u>Balance at June 30, 2014</u>
General Fund					
NM State Treasurer	General	43300	YES	State Treasury	\$ 2,519,027
Petty cash	General	43300	NO	Imprest	2,391
Total General Fund cash					<u>2,521,418</u>
Special Revenue Fund					
Securities Education	Special Revenue	04400	YES	State Treasury	2,858,700
Mortgage Regulatory	Special Revenue	10660	YES	State Treasury	4,219,001
FID Settlement	Special Revenue	11550	YES	State Treasury	977,592
Sign Language Services	Special Revenue	20110	YES	State Treasury	250,845
Animal Sheltering Services	Special Revenue	20120	YES	State Treasury	263,471
Hoisting Operators	Special Revenue	21100	YES	State Treasury	166,463
Vehicle Replacement	Special Revenue	29600	NO	State Treasury	-
Real Estate Recovery	Special Revenue	29700	YES	State Treasury	292,346
FID Revolving Fund	Special Revenue	37200	NO	State Treasury	-
CID Revolving Fund	Special Revenue	37300	NO	State Treasury	140,620
Barber and Cosmetology	Special Revenue	43900	NO	State Treasury	2,826,734
Athletic Commission	Special Revenue	44100	NO	State Treasury	375,721
Massage Therapists	Special Revenue	44200	NO	State Treasury	464,542
Counselors and Therapists	Special Revenue	44400	YES	State Treasury	1,033,443
Real Estate Education and Training	Special Revenue	44500	YES	State Treasury	96,705
Chiropractic Examiners	Special Revenue	44600	NO	State Treasury	782,766
Dental	Special Revenue	44700	NO	State Treasury	1,298,309
Nutrition and Dietetics	Special Revenue	44800	NO	State Treasury	161,991
Nursing Home Administration	Special Revenue	44900	NO	State Treasury	133,255
Occupational Therapy	Special Revenue	45000	NO	State Treasury	458,673
Optometry	Special Revenue	45100	NO	State Treasury	376,045
Osteopathic Examiners	Special Revenue	45200	NO	State Treasury	672,430
Podiatry	Special Revenue	45300	NO	State Treasury	158,443
Psychologist Examiners	Special Revenue	45400	NO	State Treasury	655,809
Physical Therapist	Special Revenue	45500	YES	State Treasury	992,943
Thanatopractice	Special Revenue	45600	YES	State Treasury	388,448
Interior Design	Special Revenue	45700	NO	State Treasury	60,803
Private Investigation & Polygraph	Special Revenue	45900	YES	State Treasury	163,218
Landscape Architects	Special Revenue	46000	NO	State Treasury	184,587
Pharmacy	Special Revenue	46400	NO	State Treasury	3,106,476
Pharmacy	Special Revenue	46400	NO	Imprest	334
Real Estate Appraisers	Special Revenue	46500	YES	State Treasury	596,567
Accountancy	Special Revenue	46600	YES	State Treasury	789,069
Accountancy	Special Revenue	46600	NO	Imprest	48
Real Estate Commission	Special Revenue	46700	NO	State Treasury	1,661,913
Real Estate Commission	Special Revenue	46700	NO	Imprest	100
Social Workers	Special Revenue	46900	YES	State Treasury	780,319
Acupuncture	Special Revenue	47100	YES	State Treasury	401,173
HUD Manufactured Housing	Special Revenue	47200	NO	State Treasury	377,535
Speech Language & Audio	Special Revenue	47300	YES	State Treasury	640,237
Respiratory Care Advisory	Special Revenue	47400	NO	State Treasury	264,217
Athletic Trainers	Special Revenue	47500	YES	State Treasury	107,443
Naprapathy	Special Revenue	53500	NO	State Treasury	289
Carnival Ride Insurance	Special Revenue	64300	NO	State Treasury	143,300
Impaired Dentists	Special Revenue	87600	NO	State Treasury	73,785
ARRA	Special Revenue	89000	NO	State Treasury	902
Total Special Revenue					<u>29,397,610</u>
Total General Fund and Special Revenue Funds					<u>31,919,028</u>

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
SCHEDULE OF CASH ACCOUNTS
Year Ended June 30, 2014

<u>Name of Fund</u>	<u>Fund Type</u>	<u>SHARE Fund Number</u>	<u>Interest Bearing</u>	<u>Type of Account</u>	<u>Balance at June 30, 2014</u>
Fiduciary Fund					
FID Receipts Fund	Fiduciary	43500	NO	State Treasury	\$ -
MHD Receipts	Fiduciary	43600	NO	State Treasury	337,559
CID Receipts Fund	Fiduciary	43700	NO	State Treasury	2,632,940
SEC Receipts Fund	Fiduciary	43800	NO	State Treasury	-
Alcohol and Gaming Receipts	Fiduciary	80800	NO	State Treasury	-
Total Fiduciary Funds					<u>2,970,499</u>
Total All funds					<u>\$ 34,889,527</u>

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*

Independent Auditor's Report

Mr. Mike Unthank, Superintendent
State of New Mexico
Regulation and Licensing Department
&
Mr. Hector 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 of the general fund and major special revenue funds of the State of New Mexico Regulation and Licensing Department (Department), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements, and the combining and individual funds and related budgetary comparisons of the Department, presented as supplementary information, and have issued our report thereon dated December 15, 2014.

Internal Control over Financial Reporting

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

Mr. Mike Unthank, Superintendent
State of New Mexico
Regulation and Licensing Department
&
Mr. Hector Balderas
New Mexico State Auditor
Santa Fe, New Mexico

Our consideration of internal control over financial reporting 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 consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses: **2012-002 and 2013-004**

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 a significant deficiency: **2006-006 and 2013-001.**

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 **2006-006, 2013-001, 2013-002, and 2013-010.**

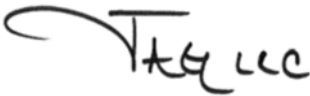
Mr. Mike Unthank, Superintendent
State of New Mexico
Regulation and Licensing Department
&
Mr. Hector Balderas
New Mexico State Auditor
Santa Fe, New Mexico

The Department's Responses to Findings

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

Purpose of this Report

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



Jaramillo Accounting Group LLC
Albuquerque, New Mexico
December 15, 2014

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For The Year Ended June 30, 2014

<u>Finding</u>	<u>Status of Prior Year Findings</u>	<u>Material Weakness</u>	<u>Significant Deficiency</u>	<u>Non Compliance</u>
2006-006 [06-06] Disaster Recovery Plan	Repeated & Updated		X	X
2012-012 [12-02] Prepaid Construction Permits (Other " Liabilities) and Due to State General Fund - Agency Funds [Revenue Recognition/Prepaid Construction Permits and Licensing Fees]	Repeated & Modified	X		
2013-001 [13-01] Reversion Not Made Timely To State General Fund	Repeated			X
2013-002 [13-02] Controls Over Travel and Per Diem	Repeated			X
13-03-Accounts Payable	Cleared			
2013-004 [13-04] Financial Close And Reporting	Repeated	X		
13-05-Controls Over State Issued Gas Credit Card	Cleared			
13-06-Lack Of Support For Journal Entries	Cleared			
13-07-Lack Of Cash Reconciliation Process	Cleared			
13-08-Internal Controls-Disbursements	Cleared			
13-09-Budget Funds Not Tracked Against Proper Fiscal Year	Cleared			
2013-010 [13-10] Recording Receipts on Behalf of Other Entities	Repeated			X
13-11-Late Audit Report	Cleared			

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
SCHEDULE OF FINDINGS AND RESPONSES
For The Year Ended June 30, 2014

2006-006 [06-06] APPROVE, IMPLEMENT AND TEST DISASTER RECOVERY PLAN

Type of Finding: Significant Deficiency / Non Compliance

Statement of Condition

The Department prepared a Disaster Recovery Plan (DR)(Plan) in August 2011. We noted that the Plan has not yet been approved by management and that testing and implementation of an offsite hot-site is not completed.

- Prior to 2006 there was no backup process or DR due to physical servers and the drive formatting of those servers.
- Fiscal year (FY) 2007 RLD migrated all servers to a virtual VM ware setup and purchased a storage area network. Backup and recovery were set up at that time.
- In FY 2013 RLD attempted to purchase hardware to set up a DR site in the Toney Anaya building but the purchase was denied by the Department of Information Technology (DoIT).
- In FY 2013 RLD met with DoIT for accommodation of a DR site at the Albuquerque data center in the TIWA building. The TIWA building is to be set up as the Albuquerque data center for the State of New Mexico.
- RLD was given approval in FY 2014 to purchase a full DR site which would mirror the rack and full server/san build at the Simms building in Santa Fe which is the primary data center for the state of New Mexico.
- In June of 2014, RLD was informed by DoIT that they had not received adequate funding to properly upgrade the TIWA building infrastructure and until they did they could not accommodate another agency in the Albuquerque data center.
- RLD then reached out to the New Mexico Aging and Long-Term Services Department (NMALTS) which has a small data center in the Toney Anaya Building. The Hardware that was acquired was all put together and is now set up and awaiting configuration and mirroring of the primary RLD network.
- RLD met with General Service's Department's engineers and were informed there is not adequate power and cooling in the Toney Anaya building to house the DR site. RLD and NMALTS had met with a heating and cooling company out of Albuquerque which said there is adequate power and cooling for the DR site.
- Currently, RLD is in a situation where the DR site hardware and servers are purchased and put together but have no location to configure and mirror the data from the primary data center.

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.

STATE OF NEW MEXICO
REGULATION AND LICENSING DEPARTMENT
SCHEDULE OF FINDINGS AND RESPONSES
For The Year Ended June 30, 2014

Effect

The lack of an 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 completed the Disaster Recovery Plan in August 2011 and is still working a on a way to implement and test the Plan. DoIT may not have adequate funding to implement the site for New Mexico state agencies.

Recommendation

We recommend that the Department's management review, finalize, and approve the Disaster Recovery Plan and continue working with DoIT and possibly other State Agencies to set up the second site.

Management Response

The Department has reached out to the Department of Information Technology (DoIT) to pursue a platform as a service proposal for the DR. DoIT has indicated that there are no options for them to host DR at this time. The Department is actively pursuing other options to host the physical equipment in order to fully implement DR. The DR will be for the Department to utilize its own equipment at another building. The DR will be circulated to the Superintendent, Legal Counsel, and Directors for review and approval. IT will determine testing at the DR site when it is up and running.

**2012-002 [12-02] PREPAID CONSTRUCTION PERMITS (OTHER LIABILITIES)
and DUE TO STATE GENERAL FUND – AGENCY FUNDS**

Type of Finding: Material Weakness

Statement Condition

Agency Funds - Contractors prepay for permits (prepaid construction permits). Cash is offset against the account "Other Liabilities" and then, as permits are issued, the cost of the permit should flow to the liability account "Due to the State General Fund".

The Department is unable to accurately identify and track the net prepaid construction permit amounts and offsetting usage due to the Department's software (KIVA) limitations. Once the prepaid construction permit is used, the related cash is then due to the State General Fund. Based on this analysis, the auditors have qualified their independent auditor's opinion on the Department's financial statements related to these liabilities in the agency funds.

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SCHEDULE OF FINDINGS AND RESPONSES
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Criteria

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 (GAAP). Governmental accounting principles are identified in the Codification of Governmental Accounting and Financial Reporting Standards (GASB)”. For the agency funds, GAAP requires an accurate accounting and presentation of assets and liabilities by major category.

Effect

The Department’s “other liability” and “due to the State General Fund” amounts in the agency funds may be materially misstated.

Cause

The Department’s software system used to track the prepaid construction permits (other liabilities) is deficient in producing the data necessary to properly track the usage of prepaid credit construction permits.

Recommendation

We recommend the Department replace its KIVA software. Alternatively, management should develop a process to extract the data out of the KIVA software so that an accurate amount of prepaid credits, net of permits issued, by contractor can be provided to management on a periodic basis.

Management Response

This issue remains a weakness due to the issues related to the KIVA system and identifying the recognition of prepaid charges against prepaid deposits. The Department is in the beginning stages of implementing a replacement system that will have an adequate accounting system. This will allow the Department to reconcile the physical cash received against the services rendered. Currently the revenue is recorded as a liability. The reports produced are unreliable and do not reconcile.

The Department will continue to work aggressively to implement the replacement system to help eliminate the problem in the future.

2013-001 [13-01] REVERSION NOT MADE TIMELY TO STATE GENERAL FUND

Type of Finding: Significant Deficiency / Non Compliance

Statement of Condition:

The Department transferred its 2014 estimated reversion by September 30, 2014, but did not transfer its 2013 final reversion (\$912,925) due to the State General Fund within 45 days of the release of the audit.

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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 NM State Statute and NM State Auditor Rule.

Cause

The Department did record the reversion as a liability but did not submit the transfer due to an oversight.

Recommendation

We recommend that the Department be aware of how much is 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 Department’s FY13 audit was issued late. The recording of the reversion was made timely as a due to the state general fund liability within 45 days of the audit, however the physical transfer did not take place within that time frame. As demonstrated with the FY14 reversion transfer, the Department will submit all future reversions timely.

2013-002 [I3-02] INTERNAL CONTROLS OVER TRAVEL AND PER DIEM

Type of Finding: Finding that Does Not Rise to the Level of Significant Deficiency / Non Compliance

Statement of Condition:

The Department had not completely implemented controls over travel and per diem related to the \$1,500 rule as described below under “Criteria”. Letters regarding employees’ travel over \$1,500 for calendar year 2014 were submitted to the Superintendent beginning January 1, 2014.

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

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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 entirely in compliance with the State Statute and could have been at risk for waste, fraud and abuse in this area during the year under audit.

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 ensure that the implemented controls bring the Department into compliance with the State Statute and other requirements noted above under “Criteria” of this finding.

Management Response

The Department has implemented internal controls effective June 2014 to help identify these thresholds and when to seek the prior approval for traveling employees, board and committee members. The Department currently requires that a supervisor approve all travel amounts. The plan is to have the Superintendent receive notification from all travelers of the Department that will exceed the \$1,500 threshold that lists the travel places and purposes. The Department will continue to require a supervisor to review and approve all itemized travel statements. When the travel exceeds the \$1,500 threshold singly or in aggregate, the reimbursement request will be approved by the Superintendent or his designee prior to disbursement. This should not be a recurring problem in FY15.

2013-004 [13-04] FINANCIAL CLOSE AND REPORTING

Type of Finding: Material Weakness

Statement of Condition:

The Department has not implemented effective financial close and reporting process controls for the year ended June 30, 2014.

During the course of the audit, certain current year balances had to be adjusted and schedules prepared by the Department had to be revised, including the unearned revenue calculation for the special revenue funds. Additionally, restatements were made to restate the June 30, 2013 financial statements as more fully described in Note 16 in these June 30, 2014 financial statements.

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Criteria

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.
- Providing all modified accrual basis journal entries for the fund financial statements and full accrual entries for the government-wide financial statements.
- Monitoring that assigned personnel are completing their task timely and accurately.

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 AU 230 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.

Effect

The Department was not ready for its audit in a timely manner and it resulted in a significant number of revisions to audit schedules, material adjustments and audit findings.

Cause

The Administrative Services Division (ASD) hired a CFO half way through the fiscal year of FY14. The CFO immediately began working to complete the FY13 audit. The IPA completed the FY13 audit in March 2014. During the remaining months of the fiscal year, the Department successfully addressed other significant FY13 audit findings with the implementation of internal controls over the following;

- accounts payable
- state issued gas card
- support for journal entries
- cash reconciliation process
- disbursements, and
- tracking budgeted funds against the proper fiscal year.

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During this same time period, the recognition of journal entries required to make the necessary adjustments for the year end close were not analyzed and prepared prior to the end of the fiscal year and financial close by DFA.

Recommendation

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

Management Response

The CFO is working diligently to develop procedures on process controls to ensure this will not be a recurring problem in FY15. A periodic financial close will be conducted throughout the fiscal year. This process will identify necessary adjusting journal entries and other requirements to ensure that the financial records accurately reflect the financial position of the Department. The CFO will work with the accounting staff to ensure that any necessary adjustments are identified, prepared and submitted prior to the FY15 financial close to comply with DFAs year-end fiscal year closeout procedures.

2013-010 [13-10] RECORDING RECEIPTS ON BEHALF OF OTHER ENTITIES

Type of Finding: Finding that Does Not Rise to the Level of Significant Deficiency / Non 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 2014 these funds were recorded as revenue rather than as liabilities. The amounts collected in FY 14 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 Taxation and Revenue Department transfers the amounts it receives to the Department as license plate revenue. The Department did not make the necessary

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reclassification of the amounts received before the year-end financial close. The Administrative Services Division (ASD) hired a CFO half way through the fiscal year of FY14. The CFO immediately began working to complete the FY13 audit. The IPA completed the FY13 audit in March 2014. During the remaining months of the fiscal year, the Department successfully addressed other significant FY13 audit findings with the implementation of internal controls. During this same time period the recognition of journal entries required to make the necessary adjustments for the year end close were not analyzed and prepared prior to the end of the fiscal year and financial close by DFA.

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 has contacted the Taxation and Revenue Department to change the coding of the operating transfers to reflect a liability account as due to other governmental entities rather than a revenue account. Through the financial close process any outstanding amounts recorded as revenue will be reclassified as due to other governmental entities periodically and before the financial close process. The disbursement and release of the liability to the identified recipients will occur upon written notification from the Animal Sheltering Board.

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EXIT CONFERENCE
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An exit conference was held on December 12, 2014. Attending were the following:

Representing the Department:

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

Representing the Independent Auditor, Jaramillo Accounting Group (JAG):

Audrey Jaramillo	Partner
Scott Eliason	Partner

The financial statements were prepared with the assistance of JAG.