

A large orange circular graphic is positioned on the left side of the page, partially cut off by the edge. It contains the text for the financial statements.

**FINANCIAL
STATEMENTS AND
REPORT OF
INDEPENDENT
CERTIFIED PUBLIC
ACCOUNTANTS**

**STATE OF NEW MEXICO
BOARD OF NURSING**

June 30, 2008

atkinson

PRECISE. PERSONAL. PROACTIVE.

State of New Mexico
Board of Nursing

OFFICIAL ROSTER

June 30, 2008

<u>Name</u>	<u>Title</u>
Karen Cummings, MSN, RN	Member, Lea
Charles Colwell, RN	Vice-Chairperson, Dona Ana
Gail Davalos, Public Member	Secretary, Bernalillo
Tony Escudero	Member, Chair, San Miguel
Selva Manuelito Thompson, RN	Member, McKinley
Michael Vigil, CNP	Member, Bernalillo
Fred Woody	Member, Eddy

ADMINISTRATION

Allison Kozeliski, RN	Executive Director
Debra Werner, MSN, RN	Assistant Director/Practice Unlicensed Assistive Personnel
Joanna Giglio, MSN, RN	Assistant Director/Nursing Education, Advance Practice
Daniel Griego	Agency Administrator/CFO

CONTENTS

Page

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)	3-6
FINANCIAL STATEMENTS	
STATEMENT OF NET ASSETS – EXHIBIT 1	7
STATEMENT OF ACTIVITIES – EXHIBIT 2.....	8
BALANCE SHEET – GOVERNMENTAL FUND – EXHIBIT 3	9
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS – GOVERNMENTAL ACTIVITIES – EXHIBIT- 3A	10
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUND – EXHIBIT 4.....	11
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES – EXHIBIT 4A	12
STATEMENT OF REVENUES AND EXPENDITURES (BUDGETARY BASIS) – EXHIBIT 5	13
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES – AGENCY FUNDS – NURSING EXCELLENCE FUND – EXHIBIT 6	14
NOTES TO FINANCIAL STATEMENTS	15-27
SUPPLEMENTARY INFORMATION	
SCHEDULE OF JOINT POWER AGREEMENT	28
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES – NURSING EXCELLENCE FUND	29
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	30-31
SCHEDULE OF FINDINGS AND RESPONSES	32-35
EXIT CONFERENCE	36



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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Hector H. Balderas
New Mexico State Auditor and
Allison Kozeliski, RN, Executive Director
State of New Mexico Board of Nursing
Albuquerque, New Mexico

We have audited the accompanying financial statements of the governmental activities, the general fund, the budgetary comparison of the general fund, and the aggregate remaining fund information of the State of New Mexico Board of Nursing (the Board) as of and for the year ended June 30, 2008, which collectively comprise the Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Board of Nursing's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

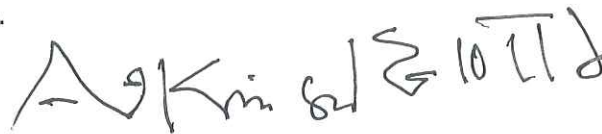
As discussed in Note A1, the financial statements of the Board are intended to present the financial position, and the changes in financial position of only that portion of the governmental activities, each major fund, and the aggregate remaining fund information that is attributable to the transactions of the Board. They do not purport to, and do not, present fairly the financial position of the State of New Mexico as of June 30, 2008, or the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the general fund and the aggregate remaining fund information of the Board as of June 30, 2008, and respective changes in financial position and respective budgetary comparison of the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2008 on our consideration of the Board of Nursing's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the 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* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplemental information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the Management's Discussion and Analysis. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the basic financial statements. The accompanying schedules of joint powers agreement and changes in fiduciary assets and liabilities – Nursing Excellence Fund listed as supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

A handwritten signature in black ink, appearing to read "Atkinson & Co., Ltd.", with a stylized flourish at the end.

Atkinson & Co., Ltd.

Albuquerque, New Mexico
December 5, 2008

State of New Mexico
Board of Nursing

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
Required Supplementary Information

June 30, 2008

Overview of the Financial Statements

The financial statements consist of the following: government-wide financial statements, governmental fund statements, and statements reconciling the above-mentioned statements.

Government-Wide Financial Statements (Statement of Net Assets and Statement of Activities)

Government-wide financial statements report information about the Board of Nursing (Board) as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.

The basic financial statements report the Board's net assets and how they have changed.

Fund Financial Statements (Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance)

The fund financial statements provide more detailed information about the Board's significant funds. Funds are accounting devices that the Board uses to keep track of specific sources of funding and spending for particular purposes.

The Board of Nursing operates principally on its own self-generated revenues (license and registration fees, examination fees, and interest earnings) and a budget, which is approved by the State Legislature each year.

Condensed Comparative Financial Information

Statements of Net Assets

	<u>June 30, 2008</u>	<u>June 30, 2007</u>
Assets		
Current assets	\$ 3,800,076	\$ 3,315,256
Capital assets, net of depreciation	<u>15,576</u>	<u>42,197</u>
Total assets	<u>\$ 3,815,652</u>	<u>\$ 3,357,453</u>

State of New Mexico
Board of Nursing

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED
Required Supplementary Information

June 30, 2008

	<u>June 30, 2008</u>	<u>June 30, 2007</u>
Liabilities and net assets		
Liabilities:		
Current liabilities	\$ 129,404	\$ 207,826
Compensated absences - non-current	<u>10,501</u>	<u>4,491</u>
Total liabilities	139,905	212,317
Net assets:		
Invested in capital assets	15,576	42,197
Unrestricted	<u>3,660,171</u>	<u>3,102,938</u>
Total net assets	<u>3,675,747</u>	<u>3,145,135</u>
Total liabilities and net assets	<u>\$ 3,815,652</u>	<u>\$ 3,357,452</u>
 Statements of Activities		
Total program expenses	\$ 1,634,949	\$ 1,275,494
Total program revenues	<u>2,165,561</u>	<u>2,565,396</u>
Increase in net assets	<u>\$ 530,612</u>	<u>\$ 1,289,902</u>

Analysis of Financial Position (Statement of Net Assets)

Total Assets: Consist of investments of \$3,768,078 with the State Treasurer, receivables and other assets of \$31,998 and capital assets of \$15,576, net of accumulated depreciation. Total assets are \$3,815,632, which increased over the prior year due to the excess of revenues over expenses for the year.

Total Liabilities: Consist of current liabilities of \$129,404 and long-term liabilities of \$10,501. Total liabilities are \$139,905. Liabilities decreased from the prior year due to a more timely payment of accounts payable in the second year or SHARE.

Net Assets: Consist of \$15,576 invested in capital assets, unrestricted net assets of \$3,660,171 that would be used for unexpected litigation, and one year's budget in the event revenues cannot be collected. Net assets increased due to the excess of revenue over expenses reported for the year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED
Required Supplementary Information

June 30, 2008

Results of Operations (Statement of Activities)

Total expenses consist of \$1,634,949 mainly for operation, employee salaries, and benefit purposes.

Changes in Net Assets: The Board's total revenue decreased by approximately 16% from \$2,565,396 to \$2,156,211. The Board's total fund level expenses increased by approximately 28% from \$1,275,494 to \$1,634,949 mainly from the increase in information technology services. The Board started an information technology unit in FY08 that did not exist in prior fiscal periods. The 16% decrease in revenue from FY07 to FY08 is due to a Board rule change that the evaluation of foreign transcripts would no longer be processed at the Board. This decreased the amount of foreign students registering in New Mexico.

Budgetary

Adjustments: There were no budget adjustments in FY08.

Capital Assets and Long-Term Liabilities

The Board experienced a change in capital assets as investment in capital assets went from \$42,197 to \$15,576 due to normal depreciation of property, plant and equipment. There is no significant change in long-term liability amounts from the prior year.

Analysis of Significant Variations in the Original Budget Amounts and Final Budget Amounts

The Board did not have any significant variations between the original budget submitted to the Department of Finance and Administration and the final budget approved by the Department of Finance and Administration.

Analysis of Significant Variances Between the Final Budgeted Amounts and the Actual Results

A new Board rule to discontinue the foreign exam transcript review resulted in a decrease in charges for services.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED
Required Supplementary Information

June 30, 2008

Analysis of Board's Overall Financial Position and Results of Operations

There was a significant change from prior year in regards to revenue and net assets. A board rules change to discontinue the foreign exam transcript review resulted in a decrease in charges for services in FY08. Total change in net assets decreased by approximately 60% from \$1,289,902 to \$530,612. The Board's total expenses increased by approximately 28% from \$1,275,494 to \$1,634,949. All changes in the Statement of Activities indicate that the Board is slightly better-off than it was a year ago.

Currently Known Facts, Decisions, or Conditions

Management and the Board are not aware of any currently known facts, decisions, or conditions that could have a significant effect on future operations.

Further information may be obtained from the Board of Nursing at 6301 Indian School NE, Suite 710, Albuquerque, New Mexico 87110.

State of New Mexico
Board of Nursing

STATEMENT OF NET ASSETS

June 30, 2008

ASSETS

	<u>Governmental Activities</u>
CURRENT ASSETS	
Investments - State Treasurer investment pool	\$ 3,768,078
Due from other state agencies - accrued interest	21,561
Due from Human Services Department	9,350
Prepaid expense	<u>1,087</u>
Total current assets	3,800,076
NON-CURRENT ASSETS	
Capital assets, net of accumulated depreciation	<u>15,576</u>
Total assets	<u><u>\$ 3,815,652</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable	\$ 43,026
Accrued payroll, taxes and benefits	44,378
Compensated absences payable, current portion	<u>42,000</u>
Total current liabilities	129,404
NON-CURRENT LIABILITIES	
Compensated absences payable, less current portion	<u>10,501</u>
Total liabilities	139,905
NET ASSETS	
Invested in capital assets	15,576
Unrestricted	<u>3,660,171</u>
Total net assets	<u>3,675,747</u>
Total liabilities and net assets	<u><u>\$ 3,815,652</u></u>

The accompanying notes are an integral part of this financial statement.

State of New Mexico
Board of Nursing

STATEMENT OF ACTIVITIES

Year ended June 30, 2008

	<u>Governmental Activities</u>
EXPENSES	
Personnel services	\$ 730,033
Operating costs	372,017
Employee benefits	280,498
Contractual services	141,727
Supplies	57,625
Depreciation expense	26,621
In-state travel	17,275
Out of state travel	<u>9,153</u>
Total expenses	1,634,949
PROGRAM REVENUES	
Charges for services	1,989,887
Joint powers agreement	<u>9,350</u>
Net program revenues	364,288
GENERAL REVENUES	
Interest	<u>166,324</u>
Changes in net assets	530,612
Net assets, beginning of year	<u>3,145,135</u>
Net assets, end of year	<u><u>\$ 3,675,747</u></u>

The accompanying notes are an integral part of this financial statement.

State of New Mexico
Board of Nursing

BALANCE SHEET – GOVERNMENTAL FUND

June 30, 2008

	<u>General Fund</u>
ASSETS	
Investments with State Treasurer	\$ 3,768,024
Petty cash	54
Due from other State Agency - accrued interest	21,561
Due from Human Services Department 630	9,350
Prepaid expenses	<u>1,087</u>
 Total assets	 <u><u>\$ 3,800,076</u></u>
LIABILITIES	
Accounts payable	\$ 43,026
Accrued payroll, taxes and benefits	<u>44,378</u>
 Total liabilities	 87,404
FUND BALANCE	
Unreserved/undesignated	<u>3,712,672</u>
 Total fund balance	 <u>3,712,672</u>
 Total liabilities and fund balance	 <u><u>\$ 3,800,076</u></u>

The accompanying notes are an integral part of this financial statement.

State of New Mexico
Board of Nursing

**RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT
OF NET ASSETS – GOVERNMENTAL ACTIVITIES**

June 30, 2008

Total fund balance - governmental funds	\$	3,712,672
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Amounts reported for governmental activities in the statement of net assets are different because:

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

These assets consist of:

Furniture and equipment	\$	72,987	
Data processing equipment		34,933	
Software		4,258	
Accumulated depreciation		<u>(96,602)</u>	15,576

Some liabilities are not due and payable in the current period and, therefore, are not reported in the governmental fund balance sheet.

These liabilities consist of:

Compensated absences		<u>(52,501)</u>	
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Net assets of governmental activities	\$	<u><u>3,675,747</u></u>
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The accompanying notes are an integral part of this financial statement.

State of New Mexico
Board of Nursing

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
GOVERNMENTAL FUND**

Year ended June 30, 2008

	General Fund
REVENUES	
Charges for services	\$ 1,989,887
Interest	166,324
Joint powers agreement	9,350
Total revenues	2,165,561
EXPENDITURES	
Current:	
Personnel services	730,033
Operating costs	372,017
Employee benefits	265,418
Contractual services	141,727
Supplies	57,625
In-state travel	17,275
Out-of-state travel	9,153
Total expenditures	1,593,248
Net change in fund balance	572,313
Fund balance, beginning of year	3,140,359
Fund balance, end of year	\$ 3,712,672

The accompanying notes are an integral part of this financial statement.

State of New Mexico
Board of Nursing

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES**

June 30, 2008

Net change in fund balance - governmental funds	\$	572,313
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Accrued compensated absences are recorded as expenses in the current year in the statement of activities, however, the corresponding amount is recorded as future funds to be provided in the governmental funds - net change in compensated absences expense.</p>		(15,080)
Depreciation expense		(26,621)
Changes in net assets of governmental activities	\$	530,612

The accompanying notes are an integral part of this financial statement.

State of New Mexico
Board of Nursing

STATEMENT OF REVENUES AND EXPENDITURES (BUDGETARY BASIS)

Year ended June 30, 2008

	General Fund			Variance with Final Budget Positive (Negative)
	Original Approved Budget	Final Approved Budget	Actual (Budgetary Basis)	
REVENUES				
Charges for services	\$ 1,745,000	\$ 1,745,000	\$ 1,989,887	\$ 244,887
Interest	-	-	166,324	166,324
Miscellaneous revenue	-	-	9,350	9,350
Total revenues	<u>1,745,000</u>	<u>1,745,000</u>	<u>2,165,561</u>	<u>420,561</u>
FUND BALANCE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and cash balance	1,745,000	1,745,000	2,165,561	420,561
EXPENDITURES				
Personnel and employee benefits	1,059,300	1,059,300	995,451	63,849
Contractual services	195,500	195,500	141,727	53,773
Other costs	490,200	490,200	456,070	34,130
Total expenditures	<u>1,745,000</u>	<u>1,745,000</u>	<u>1,593,248</u>	<u>151,752</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 572,313</u>	<u>\$ 572,313</u>

There are no reconciling items between GAAP basis and budget basis for this statement. The modified accrual basis applies to both presentations.

The accompanying notes are an integral part of this financial statement.

State of New Mexico
Board of Nursing**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUND
NURSING EXCELLENCE FUND**

June 30, 2008

ASSETS

Investments on deposit with State Treasurer	<u>\$ 174,208</u>
Total assets	<u><u>\$ 174,208</u></u>

LIABILITIES

Due to others	<u>\$ 174,208</u>
Total liabilities	<u><u>\$ 174,208</u></u>

The accompanying notes are an integral part of this financial statement.

NOTES TO FINANCIAL STATEMENTS

June 30, 2008

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ENTITY

1. Financial Reporting Entity

The Board of Nursing (the Board) was created under the Nursing Practice Act, Chapter 61. The Board operated on its own until the Regulation and Licensing Department was created July 1, 1983, by the Regulation and Licensing Department Act (Section 19 through 29, Chapter 297, Laws 1983). The act provided that the administration of professional and occupational licensing functions of the executive branch of state government be consolidated under the supervision of this department upon executive order issued by the Governor. The New Mexico Board of Nursing was placed under the supervision of the Regulation and Licensing Department by Executive Order 86-09. On July 22, 1988, the Governor issued Executive Order 88-34, effective August 1, 1988, removing the Board from the supervision of the Regulation and Licensing Department.

The Board has the power to adopt and amend all bylaws and rules of procedure, not inconsistent with the constitution, the laws of this state or the Nursing Practice Act which may be reasonable for the proper performance of its duties and the regulation of its procedures, meeting records, examinations and the conduct thereof. The Board also shall adopt and promulgate rules of professional responsibility for professional nurses.

The Board of Nursing has no component units. The Board's sole fiduciary fund, the Nursing Excellence Fund, is not included with the government-wide presentations. The Board of Nursing does not apply applicable Financial Accounting Standards Board Pronouncements issued subsequent to November 30, 1989.

2. Basic Financial Statements – GASB Statement No. 34

The financial statements of the Board of Nursing have been prepared in conformity with accounting principles generally accepted in the United States of America (US GAAP) as applied to governmental units. The Governmental Account Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

In June 1999, the GASB unanimously approved Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis—For State and Local Governments*. This Statement provides for the most significant change in financial reporting in over twenty years.

The Board of Nursing implemented the provisions of GASB No. 34 effective July 1, 2001.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2008

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

2. Basic Financial Statements – GASB Statement No. 34 – Continued

The basic financial statements include both government-wide (based on the Board of Nursing as a whole) and fund financial statements. The Board of Nursing has only 1 fund – The General Fund. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business type activities. The Board of Nursing has only governmental type activities. In the government-wide Statement of Net Assets, the governmental column reflects a full accrual, economic resources basis, which incorporates long-term assets, as well as long-term debt and obligations.

Program revenues include charges for services which consist principally of registration, exam and licensing fees to nurses. There is no allocation of expenses to functions because the sole function of the Board is its special purpose function of regulation of the nursing profession. General revenues include interest on cash deposit amounts.

This government-wide focus relates to the sustainability of the Board of Nursing as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The fund financial statements are similar to the financial statements presented in the previous accounting model.

The governmental (general) fund statements are presented on a current financial resource and modified accrual basis of accounting. This presentation is deemed appropriate to (a) demonstrate legal compliance, (b) demonstrate the source and use of liquid resources, and (c) demonstrate how the Board of Nursing's actual experience conforms to the budget of the fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented on the page following each statement, which briefly explains the adjustment necessary to transform the fund based financial statements in to the governmental column on the government-wide presentation.

3. Basis of Presentation – Fund Accounting

The financial transactions of the Board of Nursing are maintained on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, expenditures and other financing sources or uses. 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 summarized by type and reported by generic classification in the accompanying financial statements.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2008

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

3. Basis of Presentation – Fund Accounting – Continued

The new reporting model, GASB Statement No. 34, sets forth minimum criteria for the determination of major funds based on a percentage of the assets, liabilities, revenues or expenditures. The general fund is always considered a major fund. The Board of Nursing uses the following fund types:

Governmental Fund Types: The focus of Governmental Fund measurement (in the fund financial statements) is based upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental fund of the Board of Nursing.

General Fund (SHARE Fund 07200 - nonreverting): Pursuant to the Laws of 1983, Chapters 297, the general fund is the general operating fund of the Board of Nursing. It is used to account for all financial resources; there are no resources required to be accounted for in another fund. The general fund is funded primarily through license and registration fees.

Fiduciary Fund: (SHARE Fund 84200) Nursing Excellence Fund – used to account for assets held by the Board in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and other funds. The reporting focus is upon net assets and changes in net assets and employs accounting principles similar to proprietary funds. Fiduciary funds are not included in the government-wide financial statements since they are not assets of the Board available to support Board programs.

4. Basis of Accounting and Measurement Focus

Basis of accounting refers to the point at which revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

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

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2008

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

4. Basis of Accounting and Measurement Focus – Continued

Modified Accrual – All governmental funds are accounted for using the modified accrual basis of accounting and the flow of expendable financial resources. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., both measurable and available. “Available” means collectible within 60 days to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The Board operates under a biennial license renewal policy. Registered nurses renew during odd numbered years while licensed practical nurses renew during even numbered years.

5. Budgets and Budgetary Accounting

Per the General Appropriation Act, Laws of 2007, Chapter 28, Section 3, item N, “for the purpose of administering the General Appropriation Act of 2007 and approving operating budgets, the state of New Mexico shall follow the modified accrual basis of accounting for governmental funds in accordance with the manual of model accounting practices issued by the department of finance and administration.” The budget is adopted on the modified accrual basis of accounting except for accounts payable accrued at the end of the fiscal year that do not get paid by the statutory deadline per Section 6-10-4 NMSA 1978. Those accounts payable that do not get paid timely must be paid out of the next year’s budget. Encumbrances related to single year appropriations lapse at year end. Appropriation periods are sometimes for periods in excess of twelve months (multiple-year appropriations). When multiple-year appropriation periods lapse, the authority for the budget also lapses and encumbrances can no longer be charged to that budget. The legal level of budgetary control is at the appropriation unit level.

The New Mexico State Legislature may make appropriations to the Board of Nursing. Legal compliance is monitored through the establishment of a budget and a financial control system, which permits a budget to actual expenditure comparison. Expenditures may not legally exceed appropriations for each budget at the appropriation unit level.

Budgeted appropriation unit amounts may be amended upon approval from the Budget Division of the State of New Mexico Department of Finance and Administration within the limitation as specified in the General Appropriation Act. The budget amounts shown in the financial statements are both the original appropriation and the final authorized amounts as legally revised during the year.

The Board of Nursing follows these procedures in establishing the budgetary data reflected in the financial statements:

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2008

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

5. Budgets and Budgetary Accounting – Continued

- a. By September 1st, the Board of Nursing prepares a budget request by appropriation unit to be presented to the next legislature.
- b. The appropriation request is submitted to the Department of Finance and Administration's Budget Division (DFA) and to the Legislature.
- c. DFA makes recommendations and adjustments to the appropriation request, which become the Governor's proposal to the Legislature.
- d. The Legislative Finance Committee (LFC) holds hearings on the appropriation request, also submitting recommendations and adjustments before presentation to the Legislature.
- e. Both the DFA's and LFC's recommended appropriation proposals are presented to the Legislature for approval of the final budget plan.
- f. Budgetary control is exercised at the appropriation unit level of the Board of Nursing as a whole and changes are approved by the DFA.
- g. Appropriations, if reverting, lapse at the end of the year except for amounts in accounts payable.
- h. Beginning with fiscal year 2005, the General Appropriation Act establishes the modified accrual basis of accounting for governmental funds as the budgetary basis of accounting for the State of New Mexico.
- i. Appropriations are non-reverting and credited to the Nursing Fund per 61-3-27 NMSA 1978.
- j. There were no appropriations made during fiscal year 2008.

6. Accrued Annual Leave

Employees are entitled to accumulate annual leave at a rate based on appointment date and length of continuous service. A maximum of 240 hours of annual leave may be carried forward after the pay period beginning in December and ending in January. Vacation leave up to the maximum of 240 hours is payable upon separation from service at the employee's current hourly rate.

7. Accrued Sick Leave

Chapter 150, Laws of 1983 provided for the payments to employees for accumulated sick leave under certain conditions. Sick leave is payable semiannually to qualified employees for hours accumulated above 600 hours at a rate equal to 50 percent of their hourly rate, not to exceed 120 hours each semi-annual period. There is no limit to the amount of sick leave, which an employee may accumulate. Upon retirement, payment for sick leave is limited to 400 hours accumulated in excess of 600 hours at the 50 percent hourly rate.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2008

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

8. Deposits

The Board's cash is on deposit with the State Treasurer. The Board does not invest any of its funds. The State Treasurer's Office is responsible to ensure that the deposits are adequately insured or collateralized. The Board has defined cash and cash equivalents to include cash on deposit with the State Treasurer.

9. Receivables

Pursuant to Chapter 259, Laws of 1999, effective July 1, the Board earns interest on the State Treasurer's overnight investment. Interest due from other state agencies is accrued as of the end of the fiscal year. No allowance for doubtful accounts is established, since all amounts are collected in the subsequent fiscal year.

10. Capital Assets

Capital assets are tangible assets that are used in operations and that have initial useful lives that extend beyond a single reporting period. Capital assets are reported in the Statement of Net Assets at historical cost or estimated fair value, if donated. Capital assets are depreciated using the straight-line method over their estimated useful lives. Items with a cost of \$5,000 or more are capitalized per section 12-6-10 NMSA 1978.

Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The major classifications of capital assets and their related depreciable lives are as follows:

Furniture and equipment	5 years
Data processing equipment	5 years
Software	5 years

11. Net Assets/Fund Equity

In the government-wide financial statements net assets consist of three components: invested in capital assets, net of related debt; restricted; and unrestricted. The Board has no debt related to capital assets; therefore net assets invested in capital assets equal the capital assets, net of accumulated depreciation. Capital assets are defined as those tangible or intangible assets used in operations and having a useful life greater than a single reporting period.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2008

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

11. Net Assets/Fund Equity – Continued

Net assets are reported as restricted when constraints are placed on net asset use are externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Enabling legislation includes a legal enforceable requirement that resources be used only for the specific purposes stipulated in the legislation.

Legal enforceability means that a government can be lowered by an external party – such as citizens, public interest groups or the judiciary – to use resources only for the purposes specified by the legislation.

The amount of net assets restricted by enabling legislation is \$0 at June 30, 2008. There are no restricted net assets.

All remaining net assets that are not related to capital assets are shown as unrestricted. Unrestricted net assets are available for any lawful purpose. It is the Board's policy to first apply restricted assets when an expense is incurred and both restricted net assets are available.

12. Use of Estimates

The preparation of these financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

13. New Accounting Standards Affecting Board of Nursing

The Government Accounting Standards Board (GASB) has issued Statement No. 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions*. The Board adopted GASB 45 for the year ended June 30, 2008.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2008

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

13. New Accounting Standards Affecting Board of Nursing – Continued

The Plan administered by the New Mexico Retiree Health Care Authority is a cost-sharing multiple employer plan as defined in GASB 45. Cost-sharing employers such as the Board are required to recognize other post employment benefit expense on the modified accrual of accounting for their contractually required contributions. Contributions are set by legislation and are not based on actuarial calculation. The legislature periodically reviews the contribution rates pursuant to 10-7c-156 NMSA 1978. The effects of GASB 45 are not significantly different from the previous pay as you go requirement for monthly contributions. Required disclosures of GASB 45 are contained in this footnote and note E.

NOTE B – PERA PENSION PLAN

Plan Description. Substantially all of the Board of Nursing'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, 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. A copy of that report may be obtained by writing to PERA, P. O. Box 2123, Santa Fe, New Mexico 87504-2123. The report is also available on PERA's website at www.pera.state.nm.us.

Funding Policy. Plan members are required to contribute 7.42% of their gross salary. The Board of Nursing is required to contribute 16.59%. The contribution requirements of the plan and the Board of Nursing are established under Chapter 10, Article 11 NMSA 1978. The requirements may be amended by acts of the Legislature. The Board of Nursing's contributions to PERA for the years ended June 30, 2008, 2007, and 2006 were \$121,944, \$105,203, and \$94,760, respectively, equal to the amount of the required contribution for each year.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2008

NOTE C – CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets is as follows:

<u>Asset Description</u>	<u>Balance at June 30, 2007</u>	<u>Current Year Additions</u>	<u>Current Year Deletions</u>	<u>Adjusted Balance June 30, 2008</u>
Furniture and equipment	\$ 72,987		\$ -	\$ 72,987
Data processing equipment	34,933	-	-	34,933
Software	4,258	-	-	4,258
Total fixed assets	112,178	-	-	112,178
Accumulated Depreciation				
Machinery and equipment	(49,012)	(12,370)	-	(61,382)
Data processing equipment	(19,155)	(12,852)	-	(32,007)
Software	(1,814)	(1,399)	-	(3,213)
Total accumulated depreciation	(69,981)	(26,621)	-	(96,602)
Net Capital Assets	\$ 42,197	\$ (26,621)	\$ -	\$ 15,576

Depreciation expense of \$26,621 was charged entirely to the regulation function. All capital assets are being depreciated.

NOTE D – LEASE COMMITMENTS

The Board of Nursing has leased its office space for a period extending through June 30, 2015. The lease has a term of 10 years with an option to renew for two additional five year periods. The lease has an escalation provision of 5% every other year over the full term of the lease (including renewal option). The lease is subject to early termination by the lessee if certain conditions are present. Additionally, the Board leases various office equipment and vehicles under lease agreements ranging from terms of one to five years. During the year ended June 30, 2008, the Board paid approximately \$121,840 under its various lease agreements.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2008

NOTE D – LEASE COMMITMENTS – CONTINUED

Future payments under leases exceeding one year are as follows:

For the years ended June 30,	
2009	\$ 116,857
2010	111,476
2011	116,234
2012	116,719
2013	122,055
Thereafter	<u>249,566</u>
	<u>\$ 832,907</u>

NOTE E – POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN

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

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

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

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2008

NOTE E – POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN – CONTINUED

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The statute requires each participating employer to contribute 1.3% of each participating employee’s annual salary; each participating employee is required to contribute .65% of their salary.

Employers joining the program after January 1, 1998, are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

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

The Board’s contributions to the RHCA for the year ended June 30, 2008, 2007, and 2006 were \$9,556, \$8,243, and \$7,425, respectively, which equal the required contributions for each year.

NOTE F – INVESTMENTS WITH STATE TREASURER INVESTMENT POOL

Investments of the Board of Nursing at June 30, 2008:

Agency	SHARE Fund No.	Amount per Treasurer	Reconciling Items		Petty Cash	Balance per Financial Statements
			Outstanding Deposits	Outstanding Checks		
449	07200	\$ 3,768,024	\$ -	\$ -	\$ 54	\$ 3,768,078
449	84200	174,208	-	-	-	174,208

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2008

NOTE F – INVESTMENTS WITH STATE TREASURER – CONTINUED

There were no reconciling items provided to the Board by the State Treasurer's Office. Investments consist of interest in the State General Fund Investment Pool, which is managed by the New Mexico State Treasurer. In addition, the Nursing Board has a \$54 petty cash fund. The Board has no other investments. The Nursing Board does not have an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rate. Please see the separately issued financial statements at the State Treasurer's office for information regarding credit risk disclosures and other information.

NOTE G – FUND BALANCE

Reservations of fund balance of the government fund are created to either (1) satisfy legal covenants that require that a portion of the fund balance be segregated or (2) identify the portion of the fund balance that is not appropriable for future expenditures.

The unreserved fund balance for the governmental fund represents the amount available for budgeting future operations.

NOTE H – RISK MANAGEMENT AND LITIGATION

The Board of Nursing is exposed to various risks of losses related to torts; theft of, or damage to, or destruction of assets; errors and omissions; injuries to employees or others; and natural disasters. Section 15-7-2 NMSA 1978 requires the General Services Department, Risk Management Division (RMD) to be responsible for the acquisition and administration of all insurance purchased by the state. Since 1977, various state statutes have been passed which allow RMD to insure, self-insure or use a combination of both. For the past several years, the RMD has elected to self-insure and has not obtained liability coverage from commercial insurance companies. The RMD has effectively managed risk through various employee education and prevention programs. Risk management expenditures for the Board are accounted for in the general fund. Any claims are processed through RMD. There are no pending or known threatened legal proceedings involving material matters to which the Board of Nursing is party. There have been no settlements exceeding insurance coverage in the past three years.

State of New Mexico
Board of Nursing

NOTES TO FINANCIAL STATEMENTS – CONTINUED

June 30, 2008

NOTE I – CHANGES IN ACCRUED COMPENSATED ABSENCES

	<u>Balance at June 30, 2007</u>	<u>Deletions</u>	<u>Additions</u>	<u>Balance at June 30, 2008</u>	<u>Amount Due Within One Year</u>
Annual leave	<u>\$ 37,421</u>	<u>\$ (31,122)</u>	<u>\$ 46,202</u>	<u>\$ 52,501</u>	<u>\$ 42,000</u>
	<u><u>\$ 37,421</u></u>	<u><u>\$ (31,122)</u></u>	<u><u>\$ 46,202</u></u>	<u><u>\$ 52,501</u></u>	<u><u>\$ 42,000</u></u>

The Board of Nursing's general fund is responsible for liquidating these liabilities.

SUPPLEMENTARY INFORMATION

State of New Mexico
Board of Nursing

SCHEDULE OF JOINT POWER AGREEMENT

June 30, 2008

Participants	Responsible Party		Description			
Board of Nursing Human Services Department	Human Services Department		To conduct the certification of medication aides and approval of medication aide training programs in licensed intermediate care facilities for the mentally retarded.			
Term	Total Amount of Project	Amount Applicable to Board of Nursing	Amount Human Services Department Contributed During FY 08	Audit Responsibility	Agency Reporting Revenue & Expense	
07/01/2006-06/30/2008	\$ 37,400	\$ 18,700	\$ 9,350	N/A	Board of Nursing	

State of New Mexico
Board of Nursing

**SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES –
NURSING EXCELLENCE FUND**

June 30, 2008

Nursing Excellence Fund - 84200				
	Balance June 30, 2007	Additions	Deletions	Balance June 30, 2008
ASSETS				
Investments with State Treasurer Investment Pool	\$ 125,303	\$ 48,905	\$ -	\$ 174,208
Total assets	\$ 125,303	\$ 48,905	\$ -	\$ 174,208
LIABILITIES				
Due to others	\$ 125,303	\$ 48,905	\$ -	\$ 174,208
Total liabilities	\$ 125,303	\$ 48,905	\$ -	\$ 174,208

Investments are held with the State Treasurer.



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

Hector H. Balderas
New Mexico State Auditor and
Allison Kozeliski, RN, Executive Director
State of New Mexico Board of Nursing
Albuquerque, New Mexico

We have audited the accompanying financial statements of the governmental activities, the general fund, the budgetary comparison of the general fund and the aggregate remaining fund information of the State of New Mexico Board of Nursing as of and for the year ended June 30, 2008, and have issued our report thereon dated December 5, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Board of Nursing's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board of Nursing's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board of Nursing's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the Board of Nursing's internal control. We consider the deficiency described in the accompanying schedule of findings and responses to be a significant deficiency in internal control over financial reporting and can be referenced as finding 08-01.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Board of Nursing's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe the significant deficiency described above is not a material weakness.

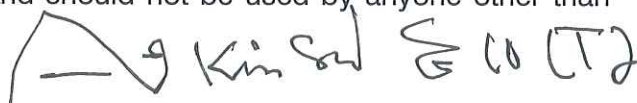
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board of Nursing'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 no instances of noncompliance or other matters that are required to be reported under Governmental Auditing Standards.

We noted certain matters that are required to be reported under *Government Auditing Standards*, Paragraph 5.14 and 5.16, and Section 12-6-5 NMSA 1978 which are described in the accompanying Schedule of Findings and Responses as findings 08-02 and 08-03.

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

This report is intended solely for the information and use of management, the Office of the State Auditor, Department of Finance and Administration and the New Mexico State Legislature and its committees and is not intended to be and should not be used by anyone other than these specified parties.



Atkinson & Co. Ltd.

Albuquerque, New Mexico
December 5, 2008

State of New Mexico
Board of Nursing

SCHEDULE OF FINDINGS AND RESPONSES

June 30, 2008

STATUS OF PRIOR YEAR FINDINGS

- 07-01 Computer Implementation Project SHARE Issues (Significant Deficiency) – Resolved
- 07-02 Budget Overspending – Resolved
- 07-03 Late Submission of Audit Report (Significant Deficiency) – Resolved

CURRENT AUDIT FINDINGS

Financial Statement Findings Required by *Government Auditing Standards*

- 08-01 Financial Statement Adjustments (Significant Deficiency)

Findings in Accordance with 2.2.2. NMAC

- 08-02 Information Technology Controls – SHARE Passwords
- 08-03 Performance Appraisal

SCHEDULE OF FINDINGS AND RESPONSES - CONTINUED

June 30, 2008

FINANCIAL STATEMENT FINDINGS

08-01 Financial Statement Adjustments (Significant Deficiency)

Condition

The Board's financials were adjusted during the audit to correct fund balance, for capital assets and depreciation, for compensation absences, accrued compensation, and miscellaneous accounts payable.

Criteria

Under Statement on Auditing Standard No. 112, "*Communicating Internal Control Related Matters Identified in an Audit*", it is considered a control deficiency if material misstatements exist in the financial statements.

Cause

Management does not post entries during the year to SHARE and did not post prior year adjustments.

Effect

At year-end various adjustments are needed to correct the specified accounts. Management operates on a substantially cash basis during the year which suffices for most operations. However, in certain instances, under the modified accrual basis of accounting, incorrect financial information, is in SHARE.

Recommendation

We recommend that management follow a closing policy that is similar to that presented by Department of Finance Administration for monthly closings under SHARE. Appropriate entries should be recorded during the year for the specified accounts.

Management's Response

The Board will adhere to the Department of Finance Administration guidelines for monthly closings under SHARE. Management will post entries during the year for items pertaining to fund balance, depreciation expense for capital assets and liability entries for compensation absences and accrued salaries and benefits.

SCHEDULE OF FINDINGS AND RESPONSES - CONTINUED

June 30, 2008

FINANCIAL STATEMENT FINDINGS

08-02 Information Technology Controls – SHARE Passwords

Condition

Our review of the Board of Nursing information technology (IT) system controls determined that certain access controls including password controls for SHARE were not fully adhered to during the year.

Criteria

Under Statement or Auditing Standard No. 109, “*Understanding the Entity and its Environment and Assessing the Risks of Material Misstatements*”, an organization’s use of IT may affect any of the five components of internal control relevant to the achievement of the financial reporting, compliance or operating objectives. SHARE password access controls policies are designed to limit employees to only certain identified applications of the software to prevent unauthorized use.

Cause

The Agency is part of the SHARE implementation for the State of New Mexico and has not fully monitored SHARE password access controls.

Effect

Inappropriate access to the SHARE applications could lead to errors in data processing which may affect data integrity and decision making.

Recommendation

We recommend the Board reinforce its IT policies in this area and monitor compliance to its password access procedures.

Management’s Response

The Board will review and adhere to IT policies as it relates to access controls in SHARE.

SCHEDULE OF FINDINGS AND RESPONSES - CONTINUED

June 30, 2008

FINANCIAL STATEMENT FINDINGS

08-03 Performance Appraisal

Condition

The Organization did not provide a timely performance evaluation on one employee in our test sample of two.

Criteria

Performance appraisals shall be completed on at least an annual basis per 1.7.9.9 B NMAC by the employee's anniversary date.

Cause

The performance appraisal was not completed due to oversight.

Effect

Career employees are not receiving timely performance feedback, which relates to increased quality performance benefits for both the employee and the Board.

Recommendation

The performance appraisal should be completed and the evaluation schedule reaffirmed.

Management's Response

The Board will comply with standards set forth in 1.7.9.9 B NMAC.

State of New Mexico
Board of Nursing

EXIT CONFERENCE

June 30, 2008

The basic financial statements have been prepared by Atkinson & Co. with the assistance of the Board of Nursing. The Board of Nursing is responsible for the content in the financial statements.

* * * * *

An Exit Conference was held on December 10, 2008 and attended by the following:

For Atkinson & Co., Ltd.:

Martin Mathisen

Shareholder/Audit Director

For the State of New Mexico Board of Nursing:

Allison Kozeliski, RN

Executive Director

Daniel Griego

Chief Financial Officer

Vicki Vehar

Financial Specialist

Tony P. Escudero

Board Chair

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