

**STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
Santa Fe, New Mexico**

**FINANCIAL STATEMENTS
June 30, 2014**

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**STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
OFFICIAL ROSTER
June 30, 2014**

Commission

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Dan Brooks	Deputy Director
R.J. Kirkpatrick	Assistant Director – Resource Programs/Area Operations
Vacant	Assistant Director – Administrative Support Services
Peter Robertson	Legal Council
Vacant	Chief of Administrative Services Division
Russ Verbofsky	Chief of Information Services Division
Vacant	Chief of Human Resources
Matt Wunder	Chief of Ecosystem and Environmental Planning Division
Cal Baca	Chief of Wildlife Management Division
Michael Sloane	Chief of Fisheries Management Division
Marty Frentzel	Chief of Information and Outreach Division
Robert Griego	Colonel Field Operations



CliftonLarsonAllen

Independent Auditors' Report

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To the Members of the Commission of
State of New Mexico
Department of Game and Fish and
Mr. Hector H. Balderas
New Mexico State Auditor

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparison for the general fund of the State of New Mexico Department of Game and Fish (the 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 also have audited the financial statements of each of the Department's nonmajor governmental funds, fiduciary funds and the budgetary comparisons for the major capital project fund and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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.

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 of the Department, as of June 30, 2014, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental, and fiduciary fund of the Department as of June 30, 2014, and the respective changes in financial position and the respective budgetary comparisons for the major capital project fund, and 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 2, the financial statements of the Department are intended to present the financial position and changes in financial position of only that portion of the governmental activities, each major fund, the aggregate remaining fund information and all respective budgetary comparisons of the State of New Mexico that is attributable to the transactions of the Department. They do not purport to, and do not present fairly the financial position of the entire State of New Mexico as of June 30, 2014, and the changes in the financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America. 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 on pages 5 through 13 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

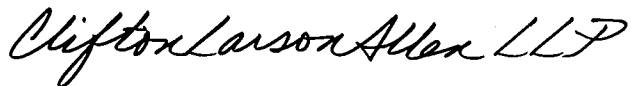
Our audit was conducted for the purpose of forming opinions on the Department's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The Schedule of Expenditures of federal awards as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the schedule of cash accounts including investments, schedule of changes in assets and liabilities – agency funds, and the schedule of joint powers agreements required by Section 2.2.2.NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of federal awards and the schedule of cash accounts including investments, schedule of changes in assets and liabilities – agency funds, and the schedule of joint powers agreements 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 Schedule of Expenditures and other schedules required by Section 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 3, 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.

CliftonLarsonAllen LLP



Albuquerque, New Mexico
December 3, 2014

STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2014

The State of New Mexico Department of Game and Fish's (the Department) Management's Discussion and Analysis (MD&A) is designed to assist the reader in focusing on significant financial issues, provide an overview of the Department's financial activity, identify changes in the Department's financial position (ability to address future year challenges), identify any material deviations from the financial plan, and identify any fund issues of concern.

The MD&A is designed to focus on the past year's activities, resulting changes and currently known facts; please read it in conjunction with the Department's financial statements and notes which follow this section.

Overview of the Financial Statements

This annual report consists of four parts: 1) management's discussion and analysis, 2) the basic financial statements, 3) required supplementary information, and 4) an optional section that presents combining statements for non-major governmental funds.

The basic financial statements include two kinds of statements that provide different views of the Department. The first two statements are **government-wide financial statements** that provide both long-term and short-term information about the Department's overall financial status. The remaining statements are **fund financial statements** that focus on individual parts, specifically short term information of the Department's operations in greater detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. In addition to these required elements, we have included a section with combining statements that provide details about non-major governmental funds.

The MD&A should provide an objective and easily readable analysis of the government's financial activities, based on currently known facts, decisions or conditions. It should provide an analysis of the government's overall financial position and results of operations to assist users in assessing whether the financial position has improved as a result of the year's activities. Additionally, it should provide an analysis of significant changes that occur in funds and significant budget variances.

Government-wide Financial Statements. The Statement of Net Position shows the Department's overall financial position as of June 30, 2014. This financial statement is comparable to the balance sheet in a private sector entity's financial statements. A Statement of Net Position differs from a balance sheet in several ways, but there is one main difference. The New Mexico Department of Game and Fish is a government agency and a trustee of public assets rather than a company with shareholders or owners. In a private sector balance sheet, the surplus (or deficit) of assets compared to liabilities is the owners' equity. In governmental financial statements, this excess is labeled net position.

The next government-wide statement is the Statement of Activities. This statement provides information about revenue and expenditure activity throughout the course of fiscal year 2014. The statement provides the net position at the beginning of the year and the balance at the end

**STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2014**

of the year. The difference between revenue and expenditure amounts provides for the change in net position.

The remaining financial statements report the Department's operations in greater detail than the government-wide statements.

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

The Department has two types of funds:

Governmental Funds - Most of the Department's services are included in governmental funds, which focus on (a) how cash, and other financial assets that can be readily converted to cash, flow in and out; and (b) the balances left at year-end that are available for spending. The governmental fund statements provide a detailed short-term view that helps the user determine whether there are more or fewer financial resources that can be spent in the near future to finance the Department's programs. Since this information does not include the additional long-term focus of the government-wide statements, reconciliation between the government-wide statements and the fund financial statements is provided for governmental-type activities.

Fiduciary Funds - A fiduciary fund is used to report assets held in a trustee or agency capacity for others and therefore are not available to support Department programs. The reporting focus is upon net position and changes in net position and employs accounting principles similar to proprietary funds. With the implementation of GASB statement number 34, fiduciary funds are not included with the governmental-type funds since these funds are not available to support the Department's programs. The Department's fiduciary fund is maintained to receive donations. The money is used to reward anonymous callers who turn in wildlife violators to the Department.

Financial Analysis of the Department as a Whole

Net Position. The total Department net position for the fiscal year ended June 30, 2014 is \$127,273,178. That entire amount is either restricted as to the purposes it can be used for or is net investment in capital assets. The restricted net position in Governmental Activities was \$60,150,718 at the end of the fiscal year.

**STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2014**

The Department's Net Position

	<u>FY2014</u>	<u>FY2013</u>	<u>Amount Change</u>	<u>Total % Change</u>
Assets:				
Current and other assets	\$ 66,690,581	\$ 61,322,392	\$ 5,368,189	9%
Capital assets	<u>67,122,460</u>	<u>62,047,399</u>	<u>5,075,061</u>	8%
Total assets	<u>\$133,813,041</u>	<u>\$123,369,791</u>	<u>\$ 10,443,250</u>	8%
Liabilities:				
Current liabilities	\$ 6,477,465	\$ 4,496,055	\$ 1,981,410	44%
Non-current liabilities	<u>62,398</u>	<u>141,596</u>	<u>(79,198)</u>	-56%
Total liabilities	<u>6,539,863</u>	<u>4,637,651</u>	<u>1,902,212</u>	41%
Net position:				
Net investment in capital assets	67,122,460	62,047,399	5,075,061	8%
Restricted	<u>60,150,718</u>	<u>56,684,741</u>	<u>3,465,977</u>	6%
Total net position	<u>127,273,178</u>	<u>118,732,140</u>	<u>8,541,038</u>	7%
Total liabilities and net position	<u>\$133,813,041</u>	<u>\$123,369,791</u>	<u>\$ 10,443,250</u>	8%

The Department total assets are comprised of \$67,122,460 in capital assets and \$66,690,581 in current assets, for a total asset balance of \$133,813,041. The overall increase in total position from the previous fiscal year is 7%. Liabilities are also broken out into two segments: current liabilities and noncurrent liabilities. The total amount of current liabilities is \$6,477,465, an increase of 44% from the prior year balance of \$4,496,055. This increase is attributable to an increase in accounts payable and third party liabilities at the fiscal year end, which include payables for capital projects throughout the state and payroll expenses payable at year end. Non-current liabilities are limited to the amount due for unused employee leave balances that is not likely to be expended within the next fiscal year. The amount of this non-current liability is \$62,398.

Currently Known Facts, Conditions, or Decisions: The Department does not anticipate any significant impacts or changes to net position. However, the Department is subject to possible litigation from outside entities. The Department does not foresee any litigation affecting net position or the financial statements.

**STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2014**

Governmental Activities: The table below summarizes the Department's activities for the fiscal years ending June 30, 2014 and 2013. The change in net position was \$8,541,038 at the end of the fiscal year.

Changes in the Department's Net Position

	<u>FY 2014</u>	<u>FY 2013</u>	<u>Amount Change</u>	<u>Total % Change</u>
Program revenues	\$ 44,690,385	\$ 39,705,222	\$ 4,985,163	13%
General revenues	<u>236,814</u>	<u>461,768</u>	<u>(224,954)</u>	-49%
Total revenues	<u>44,927,199</u>	<u>40,166,990</u>	<u>4,760,209</u>	12%
Program expenses	<u>36,203,861</u>	<u>32,803,267</u>	<u>3,400,594</u>	10%
Total expenses	36,203,861	32,803,267	3,400,594	10%
Transfers	<u>(182,300)</u>	<u>(318,286)</u>	<u>135,986</u>	-43%
Change in net position	8,541,038	7,045,437	1,495,601	21%
Net position, beginning of year,	<u>118,732,140</u>	<u>111,686,703</u>	<u>7,045,437</u>	6%
Net position, end of year	<u>\$127,273,178</u>	<u>\$118,732,140</u>	<u>\$ 7,181,423</u>	6%

The Department manages eight operating fund accounts (excluding the capital fund); the Game Protection Fund (major fund) and seven (7) non-major funds that receive funding from sources created by the laws of the State of New Mexico. The Department's capital fund is managed based on the appropriation of funding through the State's legislative process. The revenue allocated to the capital fund is done on a project basis and depends on the approved funding. Therefore, the capital fund does not accumulate revenues beyond those required to support the capital projects.

For the year ending June 30, 2014, depreciation expense has been allocated to the program expense category of Game and Fish Resource Conservation. Interagency transfers include transfers to outside agencies, including the Energy, Minerals, and Natural Resources Department.

**STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2014**

Information on Individual Funds

The Department is responsible for the management of nine individual fund accounts, including the capital project fund. The Game Protection Fund is considered the Department's one major operating fund. The cash balance increased in four of the seven non-major funds and the Game Protection Fund experienced an increase in the cash balance in fiscal year 2014. In totality, the Department ended fiscal year 2014 in an overall healthy financial position for all of its funds. The first table below lists the beginning and ending cash and investment balances for each fund managed by the Department.

Fund Name	Fund	Balance, June 30, 2014	Balance, June 30, 2013	Total % Change
Game Protection Fund	19800	\$ 35,760,633	\$ 39,807,332	-10%
Sikes Act Fund	09700	\$ 1,809,715	\$ 1,343,653	35%
Share With Wildlife Fund	30700	\$ 198,033	\$ 143,197	38%
Trail Safety Fund	10840	\$ 2,110,080	\$ 2,010,594	5%
Bond Interest & Retirement Fund	42800	\$ 840,405	\$ 524,728	60%
Big Game Depredation Damage Fund	54900	\$ 1,491,817	\$ 939,063	59%
Big Game Enhancement Fund	77200	\$ 3,764,341	\$ 2,927,058	29%
Habitat Management Fund	49400	\$ 2,604,127	\$ 2,883,662	-10%
Game & Fish Capital Improvement Fund	88700	\$ 12,532,331	\$ 5,349,631	134%

The tables below list the total revenue and expenditures for each fund managed by the Department.

Fund Name	SHARE Fund	Revenue		Total % Change
		Fiscal Year Ended June 30, 2014	Fiscal Year Ended June 30, 2013	
Game Protection Fund	19800	\$ 35,570,656	\$ 34,856,326	2%
Sikes Act Fund	09700	979,016	950,460	3%
Share With Wildlife Fund	30700	258,542	221,089	17%
Trail Safety Fund	10840	696,806	645,143	8%
Bond Interest & Retirement Fund	42800	265,080	186,088	42%
Big Game Depredation Damage Fund	54900	459,214	496,294	-7%
Big Game Enhancement Fund	77200	1,845,753	1,270,346	45%
Habitat Management Fund	49400	1,182,299	1,159,326	2%
Game & Fish Capital Improvement Fund	88700	3,613,463	149,294	2320%
Total revenues		\$ 44,870,829	\$ 39,934,366	

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DEPARTMENT OF GAME AND FISH
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2014**

Fund Name	SHARE Fund	Expenditures		Total % Change
		Fiscal Year Ended June 30, 2014	Fiscal Year Ended June 30, 2013	
Game Protection Fund	19800	\$ 31,547,151	\$ 29,767,890	6%
Sikes Act Fund	09700	989,708	988,888	0%
Share With Wildlife Fund	30700	409,999	124,657	229%
Trail Safety Fund	10840	536,556	509,154	5%
Bond Interest & Retirement Fund	42800	-	186	0%
Big Game Depredation Damage Fund	54900	119,917	274,824	-56%
Big Game Enhancement Fund	77200	939,152	867,650	8%
Habitat Management Fund	49400	441,509	646,436	-32%
Game & Fish Capital Improvement Fund	88700	<u>6,533,840</u>	<u>215,174</u>	2937%
Total expenditures		<u>\$ 41,517,832</u>	<u>\$ 33,394,859</u>	

Budgets, Revenue and Expenditures

The Department recorded several adjustments to the original budget amounts during the fiscal year; all the adjustments were due to additional federal grant funds made available to the Department. The variance in federal grant revenue is due to additional federal grants received throughout the fiscal year. Federal grants awarded to the Department include: restoration projects throughout the state, demolition and replacement of structures in the Bernardo Wildlife Management Area, purchase of flood barriers for Lisboa hatchery, and the paving of Marina Way at Eagle Nest Lake. The variance in other revenue is attributed to additional grants received by the Department in 2014. The variance in other financing sources is the budgeting of 2015 capital projects in fiscal year 2014. DFA allows appropriated 2015 capital projects to be budgeted in 2014.

Since the Department generates all of its revenues via dedicated, non-reverting funds, there is little incentive to spend all available funds to justify higher future budgets or to minimize reversions to other funds. If funds remain unspent, they remain in the fund's cash balance, where they will be available for appropriation and expenditure in future fiscal years.

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June 30, 2014**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance - Positive (Negative)
Revenues:				
Service revenue	\$ 25,656,300	\$ 25,084,700	\$ 24,431,959	\$ (652,741)
Federal grants	19,435,000	25,382,143	15,320,236	(10,061,907)
Interest earned	66,200	66,200	39,088	(27,112)
Other revenue	403,100	499,333	1,466,083	966,750
Other financing sources	<u>8,722,500</u>	<u>9,122,500</u>	<u>9,125,000</u>	<u>2,500</u>
	54,283,100	60,154,876	50,382,366	(9,772,510)
Fund balance budgeted	<u>2,695,500</u>	<u>12,944,800</u>	<u>442,766</u>	<u>(12,502,034)</u>
Total revenues	<u>\$ 56,978,600</u>	<u>\$ 73,099,676</u>	<u>\$ 50,825,132</u>	<u>\$ (22,274,544)</u>

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance - Positive (Negative)
Expenditures				
Personal services/benefits	\$ 21,440,000	\$ 20,970,000	\$ 17,780,031	\$ (3,189,969)
Contractual services	5,668,103	6,360,103	4,521,106	(1,838,997)
Other	27,723,197	35,369,573	19,216,695	(16,152,878)
Other financing uses	<u>2,147,300</u>	<u>10,400,000</u>	<u>9,307,300</u>	<u>(1,092,700)</u>
	\$ 56,978,600	\$ 73,099,676	\$ 50,825,132	\$ (22,274,544)

As the Department continues to move forward with filling vacant positions, the Department projects that the variance of revenues to expenditures will decrease due to higher spending on salaries and benefit expenses. The Department continues to take a conservative approach on expending funds due to the fact that we are an Agency that generates its own revenues and is not dependent on the State of New Mexico's general fund to provide funding for Department operations.

The largest single source of Department revenue comes from the sale of hunting and fishing licenses. This is shown as Charges for Service on the Statement of Activities within the financial statements. This revenue category accounts for \$25,756,686 of the Department's revenue. The expenditures include \$35,924,103 expended for Game and Fish Resources Conservation.

The remaining expenditures result from a charge for Depreciation Expense. This represents a charge to account for the declining value of assets owned by the Department as they age. While common in the private sector, prior to the implementation of GASB 34, governmental units had not accounted for the depreciation of assets.

**STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2014**

Capital Asset and Long-term Debt Activity

The following table shows the Department's capital assets:

	<u>Governmental Activities</u>		Total % Change
	<u>June 30, 2014</u>	<u>June 30, 2013</u>	
Land	\$ 33,532,492	\$ 33,287,492	1%
Land improvements	5,080,838	5,080,838	0%
Infrastructures and Easements	16,372,509	11,220,174	46%
Property, Plant and Equipment	41,441,586	40,338,710	3%
Work in Process	<u>93,554</u>	<u>93,554</u>	0%
	96,520,979	90,020,768	7%
Less depreciation	<u>(29,398,519)</u>	<u>(27,973,369)</u>	5%
Net Investment in Capital Assets	<u>\$ 67,122,460</u>	<u>\$ 62,047,399</u>	0%

The net value of the Department's capital assets as of June 30, 2014 is \$67,122,460. This net value increased by less than 1% during fiscal year 2014, primarily due to necessary improvements of land, infrastructure and easements, property, plant, and equipment. Due to various fires and flooding throughout the state, improvements and precautions needed to be completed in 2014.

The Department had no long-term debt activity during fiscal year 2014. All funds appropriated and expended from the Game and Fish Bond Interest and Retirement Fund come from existing cash balances in the fund. There are no outstanding bonds, debts or other obligations requiring repayment from this fund.

The ability to issue long-term debt is provided in the New Mexico statutes, but if the Department wished to incur additional long-term debt, the State Legislature would need to amend the current statutory language to authorize the State Game Commission to issue and sell bonds.

Anticipated Future Conditions and Changes

New Mexico law mandates the State Game Commission and the Department of Game and Fish with the management of the Game Protection Fund, which is the Department's general operating fund. The projected cash balance of the Game Protection Fund through fiscal year 2020 reflects a healthy balance which will allow the Department to forego requesting a fee increase for hunting, fishing and trapping licenses in the next few years. The last time the Department requested a license fee increase was 2005. The healthy cash balance in the

**STATE OF NEW MEXICO
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MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2014**

Game Protection Fund is a result of cost savings in the recent few years and the effects of previous hiring freezes on the utilization of the Department's budget.

The Department continues to successfully implement the Aquatic Invasive Species and Off-Highway Vehicle programs statewide. As these programs grow, the Department has worked to form new partnerships across the State to improve implementation and service delivery. By fiscal year 2014, the Department will have implemented a significant reorganization of staff. The reorganization shifted the alignment of staff to more closely align organization with statute. The updated organizational structure has not altered duties of staff, nor has it changed agency responsibilities, but rather the new structure provides for more efficient delivery of services to the citizens of New Mexico.

In keeping with the theme of delivering programs to citizens in a more efficient manner, the Department continues to work to improve an existing electronic license sales system that allows customers to purchase licenses from their homes and local vendors statewide. The Department continues to take advantage of technological advances that provide customers a more efficient license buying experience while reducing administrative costs, allowing the Department to accomplish more on the ground.

Again this year, the state of New Mexico's economic health and economic conditions elsewhere are major influences on the Department and how we will operate in the future. Although the Department has not felt large-scale negative repercussions from the economic downturn; we remain cognizant of it and continue to find ways to control costs without adversely affecting services provided to the public.

The Department, and the State as a whole, will need to continue to determine how the public will pay for wildlife management. The beneficiaries of healthy wildlife populations and habitats are not limited to just those who purchase hunting and fishing licenses. Whether the benefits from wildlife resources are financial or merely aesthetic, it is a reasonable argument that everybody who benefits should also contribute financially to that management.

Contacting the Department's Financial Management

The Department's financial statements are designed to provide a general overview of the Department's finances and to show accountability for the money it receives. If you have questions about this report or need additional information, contact the Department's Administrative Services Division Chief or the Assistant Director for Support Services at P.O. Box 25112, Santa Fe, New Mexico 87504.

**STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
STATEMENT OF NET POSITION
June 30, 2014**

	Governmental Activities
ASSETS	
Current assets:	
Cash	\$ 3,300
Investment in State Treasurer General Fund Investment Pool	61,108,182
Long-term investments	731,310
Prepaid items	150,000
Receivables:	
Accounts receivable	177,162
Due from other state agencies	162,747
Due from federal government	4,357,880
Total current assets	66,690,581
Non-current assets:	
Net investment in capital assets	67,122,460
TOTAL ASSETS	\$ 133,813,041
LIABILITIES AND NET POSITION	
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 4,946,891
Accrued compensated absences	734,983
Accrued payroll	429,269
Other liabilities	81,884
Due to other state agencies	284,438
Total current liabilities	6,477,465
Non-current liabilities:	
Long-term portion of compensated absences	62,398
TOTAL LIABILITIES	6,539,863
NET POSITION	
Investment in capital assets	67,122,460
Restricted for:	
Wildlife and Fisheries	47,761,960
Debt Services	840,454
Capital projects	11,548,304
Total net position	127,273,178
TOTAL LIABILITIES AND NET POSITION	\$ 133,813,041

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

STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
STATEMENT OF ACTIVITIES
Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue
Governmental Activities:				
Game and Fish Resource Conservation	\$ 36,203,861	\$ 25,756,686	\$ 18,933,699	\$ 8,486,524
Total Governmental Activities	<u>\$ 36,203,861</u>	<u>\$ 25,756,686</u>	<u>\$ 18,933,699</u>	<u>8,486,524</u>

GENERAL REVENUES AND TRANSFERS

Unrealized gain on investments	141,356
Gain on the sale of equipment	56,370
Interest earned	39,088
Inter-agency transfers	<u>(182,300)</u>

Total general revenues and transfers 54,514

CHANGE IN NET POSITION 8,541,038

NET POSITION, BEGINNING OF YEAR 118,732,140

NET POSITION, END OF YEAR \$ 127,273,178

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

**STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2014**

	<u>Major Funds</u>			<u>Total Governmental Funds</u>
	<u>Game Protection Fund - 19800</u>	<u>Capital Projects - 88700</u>	<u>Other Governmental Funds</u>	
ASSETS				
Cash on hand	\$ 3,300	\$ -	\$ -	\$ 3,300
Investment in State Treasurer				
General Fund Investment Pool	35,757,333	12,532,331	12,818,518	61,108,182
Long-term investments	-	-	731,310	731,310
Prepaid items	150,000	-	-	150,000
Receivables:				
Accounts receivable	177,162	-	-	177,162
Due from other state agencies	99,170	-	63,577	162,747
Due from federal government	3,161,396	742,676	453,808	4,357,880
TOTAL ASSETS	<u>\$ 39,348,361</u>	<u>\$ 13,275,007</u>	<u>\$ 14,067,213</u>	<u>\$ 66,690,581</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 2,372,728	\$ 1,726,703	\$ 847,460	\$ 4,946,891
Accrued payroll	418,780	-	10,489	429,269
Other liabilities	50,000	-	31,884	81,884
Due to other state agencies	279,758	-	4,680	284,438
Total liabilities	<u>3,121,266</u>	<u>1,726,703</u>	<u>894,513</u>	<u>5,742,482</u>
FUND BALANCES				
Nonspendable	150,000	-	-	150,000
Restricted	36,077,095	11,548,304	13,172,700	60,798,099
Total fund balances	<u>36,227,095</u>	<u>11,548,304</u>	<u>13,172,700</u>	<u>60,948,099</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 39,348,361</u>	<u>\$ 13,275,007</u>	<u>\$ 14,067,213</u>	<u>\$ 66,690,581</u>

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

STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2014

Total Fund Balance - Governmental Funds (Governmental Fund Balance Sheet)	\$ 60,948,099
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Amounts reported for governmental activities in the Statement of Net Position are different because:

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

The cost of capital assets is	96,520,979
Accumulated depreciation is	<u>(29,398,519)</u>
 Total capital assets	 <u>67,122,460</u>

Long-term and certain other liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.

Long-term and other liabilities at year end consist of:

Compensated absences payable	<u>(797,381)</u>
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Net position of governmental activities (Statement of Net Position)	<u>\$ 127,273,178</u>
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The accompanying notes are an integral part of the financial statements.

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

	<u>Major Funds</u>			<u>Total Governmental</u>
	<u>Game Protection Fund - 19800</u>	<u>Capital Projects - 88700</u>	<u>Other Governmental Funds</u>	
REVENUES				
Service revenue	\$ 20,389,720	\$ -	\$ 4,042,239	\$ 24,431,959
Federal grants	13,862,925	3,613,463	1,457,311	18,933,699
Penalties	79,391	-	-	79,391
Interest earned	32,382	-	6,706	39,088
Realized/Unrealized gain or loss on investments	-	-	141,356	141,356
Other revenue	<u>1,206,238</u>	<u>-</u>	<u>39,098</u>	<u>1,245,336</u>
Total revenues	<u>35,570,656</u>	<u>3,613,463</u>	<u>5,686,710</u>	<u>44,870,829</u>
EXPENDITURES				
Game and Fish Resource Conservation	30,193,529	1,040,817	2,856,888	34,091,234
Capital outlay	<u>1,353,622</u>	<u>5,493,023</u>	<u>579,954</u>	<u>7,426,599</u>
Total expenditures	<u>31,547,151</u>	<u>6,533,840</u>	<u>3,436,842</u>	<u>41,517,833</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>4,023,505</u>	<u>(2,920,377)</u>	<u>2,249,868</u>	<u>3,352,996</u>
OTHER FINANCING SOURCES (USES)				
Other financing sources - STB proceeds	-	-	-	-
Inter-agency transfers	(182,300)	-	-	(182,300)
Proceeds from sale of equipment	80,973	-	-	80,973
Intra-agency transfers	<u>(8,025,000)</u>	<u>9,125,000</u>	<u>(1,100,000)</u>	<u>-</u>
NET OTHER FINANCING SOURCES (USES)	<u>(8,126,327)</u>	<u>9,125,000</u>	<u>(1,100,000)</u>	<u>(101,327)</u>
NET CHANGE IN FUND BALANCES	(4,102,822)	6,204,623	1,149,868	3,251,669
FUND BALANCES, BEGINNING OF YEAR	<u>40,329,917</u>	<u>5,343,681</u>	<u>12,022,832</u>	<u>57,696,430</u>
FUND BALANCES, END OF YEAR	<u>\$ 36,227,095</u>	<u>\$ 11,548,304</u>	<u>\$ 13,172,700</u>	<u>\$ 60,948,099</u>

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

STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2014

Net Changes in Fund Balances - Total Governmental Funds		
(Statement of Revenues, Expenditures, and Changes in Fund Balances)	\$	3,251,669

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

<p>In the Statement of Activities, certain operating expenses - compensated absences (sick and annual leave) are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are measured by the amounts of financial resources used (essentially, the amounts actually paid). The increase in the liabilities for the fiscal year was:</p>		214,308
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<p>The Statement of Activities reports the loss on sale of equipment, while the Statement of Revenues, Expenditures and Changes in Fund Balances reports the proceeds. The reconciling amount is the difference.</p>		(24,603)
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Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In the current period, these amounts were:

Capital outlay		7,426,599
Depreciation expense		<u>(2,326,935)</u>
Excess of depreciation expense over capital outlay		<u>5,099,664</u>
Change in net position of governmental activities (Statement of Activities)	\$	<u>8,541,038</u>

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

STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
STATEMENT OF REVENUES AND EXPENDITURES - MAJOR GOVERNMENTAL FUNDS -
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2014

<u>GAME PROTECTION FUND - 19800</u>				
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance From</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>(Budgetary Basis)</u>	<u>Positive (Negative)</u>
REVENUES AND OTHER FINANCING SOURCES				
Service revenue	\$ 22,974,800	\$ 22,974,800	\$ 20,389,720	\$ (2,585,080)
Federal grants	11,476,600	12,562,303	13,862,925	1,300,622
Interest earned	62,500	62,500	32,382	(30,118)
Other revenue	361,100	457,333	1,285,629	828,296
Other financing sources	-	-	80,973	80,973
TOTAL REVENUES AND OTHER FINANCING SOURCES	34,875,000	36,056,936	35,651,629	(405,307)
Fund balance budgeted	<u>349,700</u>	<u>9,712,400</u>		
TOTAL REVENUES AND FUND BALANCE BUDGETED	35,224,700	45,769,336	35,651,629	(405,307)
EXPENDITURES AND OTHER FINANCING USES				
Personal services and benefits	20,946,100	20,461,100	17,340,042	3,121,058
Contractual services	2,934,700	3,576,700	2,673,347	903,353
Other costs	10,846,600	12,981,536	11,533,762	1,447,774
Other financing uses	497,300	8,750,000	8,207,300	542,700
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 35,224,700	\$ 45,769,336	39,754,451	\$ 6,014,885
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES			\$ (4,102,822)	

Note: There were no reconciling items required to get to the GAAP basis.

**STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS
June 30, 2014**

	<u>Agency Funds</u>
ASSETS	
Cash	\$ <u>91,470</u>
TOTAL ASSETS	\$ <u><u>91,470</u></u>
LIABILITIES	
Due to others	\$ <u>91,470</u>
TOTAL LIABILITIES	\$ <u><u>91,470</u></u>

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

**STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 1 – DEFINITION OF REPORTING ENTITY

The State Game Commission and the Department of Game and Fish were created by the laws of 1921, Chapter 17 (17-1-1 through 17-7-3) NMSA, 1978 Compilation.

Management

The Department of Game and Fish is headed by the State Game Commission. Under the terms of Section 17-1-2, NMSA, 1978, the Commission is composed of seven members appointed by the Governor with the advice and consent of the Senate for four-year terms. A director is employed by the Commission.

Role of the Department

Under Chapter 17 of the New Mexico Statutes, 1978 Compilation, the Department of Game and Fish (the Department) is charged with the following responsibilities: to provide an adequate and flexible system for the protection of the game and fish of New Mexico; the use of these resources for public recreation and food supply; and for the propagation of game by planting, protection, regulation and conservation to the extent necessary to maintain an adequate supply of game and fish within the State of New Mexico.

The principal goal of the Department is to manage all of the State's wildlife resources and their habitat for the enjoyment, appreciation, economic benefit and scientific instruction of present and future generations of New Mexicans.

Divisions

In order to meet the goals and legislative mandates, the Department is organized by operational divisions. A summary of the functions of each division is set forth as follows:

The Administration Division is primarily responsible for the overall administration of day-to-day field activities. The Director's office coordinates the overall directives of the State Game Commission and administers all fish and wildlife activities of the Department. The deputy director and two assistant directors administer and direct the activities and management of the divisions. Human Resources, Planning, Aircraft, Resource Partnership and Equal Employment Opportunity are under the Administration Division.

The Administrative Services Division provides and maintains fiscal and financial control records necessary for sound management of the Department. They develop effective internal control procedures to protect and establish accountability for all cash funds and other assets of the Department. Accounting records include hunting and fishing licenses, property inventories and supporting documents, financial reports and claims for reimbursements.

The Conservation Services Division ensures the integrity of fish and wildlife habitats in conjunction with the Department's principal obligation of maintaining the viability of all species of wildlife in New Mexico. The Conservation Services Division oversees the endangered species, habitat environment, lands, fish and wildlife resource education and the administration of the Sikes Act and Share with Wildlife programs.

**STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 1 – DEFINITION OF REPORTING ENTITY (CONTINUED)

The Wildlife Management Division plans and coordinates all programs and activities involving research, management, regulation, propagation, planting and habitat concerning game birds and game mammals. This Division participates and coordinates in delineating wildlife research needs that are essential to properly formulate management strategies with respect to a holistic approach to habitat management.

The Fisheries Management Division is concerned with the production and distribution of game fish, development of fishing waters, and management and research programs needed to protect and expand the sport fishing resources of the State. The State trout hatcheries are: Parkview Hatchery in Rio Arriba County; Red River Hatchery in Taos County; Seven Springs Hatchery in Sandoval County; Rock Lake Hatchery in Guadalupe County; Glenwood in Catron County; and Lisboa Springs in San Miguel County.

The Public Information & Outreach Division plans and coordinates the dissemination of information statewide. This includes public information and awareness programs concerning Department policies, programs and activities. They utilize newspapers and other publications; produce radio and television programs; handle the state fair booth and other exhibits; assist all personnel with personal appearance programs before schools and organizations; publish *New Mexico Wildlife* magazine, informational literature and hunting and fishing regulations; and supervise the conservation education and mandatory hunter training programs required by State Law.

The Law Enforcement and Field Operations Divisions consist of the four area offices of the Department, their district wildlife officers and the staff in Santa Fe. Responsibilities of the Divisions include field patrol; investigations; hunter, angler and trapper check; depredation control; acquisition of research and management data; covert enforcement operations; and support of virtually all Department functions.

The Information Systems Division provides database design and support; systems analysis; and software design, development, implementation, training and support for computer applications used by the various divisions of the Department of Game and Fish. In addition, it maintains an extensive network of computers and communications equipment, along with a complete backup and disaster recovery system. It provides technical assistance to all users of both networked and personal computers. Its primary interest, however, is in ensuring that Department personnel have ready access to all available information and data needed by the Commission or the Department's administration for making well informed decisions in wildlife management issues.

Future Objectives

The Department's primary concern will continue to be the protection, conservation and management of the State's wildlife resources. The Department will become increasingly involved in broader areas of environmental concern, particularly if man-made changes in the total environment and wildlife habitat have impacts upon the wildlife resource.

**STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates in Preparing Financial Statements

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

Financial Reporting Entity

The Department is part of the primary government of the State of New Mexico, and its financial data should be included with the financial data of the State. However, New Mexico does not at present issue an audited Comprehensive Annual Financial Report inclusive of all agencies of the primary government.

Included within the financial report of the Department are all of the programs and funds that are administered or controlled by the Department.

No entities were noted that should be considered component units of the Department. No entities were specifically excluded as none were noted as meeting any of the criteria for potential inclusion. The Department has no component units.

Basic Financial Statements

The financial statements for the Department have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of these accounting policies are described below.

Government-wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the Department as a whole) and fund financial statements. The reporting model focus is on either the Department as a whole or major individual fund (within the fund financial statements). Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as governmental activities. In the government-wide Statement of Net Position, the governmental activities column is presented on a consolidated basis by column, and is reflected on a full accrual, economic resources basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. Funds that are fiduciary in nature are excluded from the government-wide statements and the fund statements.

**STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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) by related program revenues, operating and capital grants. The program revenues must be directly associated with the function. Inter-fund balances have been eliminated in the government-wide financial statements.

The net cost (by function) is normally covered by general revenues (intergovernmental revenues, interest income, etc).

This government-wide focus is more on the sustainability of the Department 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. Emphasis here is on the major funds in the governmental category.

The governmental fund statements are presented on a current financial resource and modified accrual basis of accounting. This presentation is deemed appropriate to (1) demonstrate legal compliance, (2) demonstrate the source and use of liquid resources, and (3) demonstrate how the Department's actual experience conforms to the budget or 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 into the governmental column on the government-wide presentation.

The financial transactions of the Department are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expense. The various funds are reported by generic classification within the financial statements.

Basis of Presentation - Fund Accounting

The following fund types and account groups are used by the Department:

Governmental Funds - All governmental fund types are accounted for on a spending or financial flow measurement focus. Only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of available spendable resources. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period.

**STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Due to their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. However, they are reported as liabilities in the government-wide financial statements.

Game Protection Fund - SHARE Fund No. 19800. The Game Protection Fund is the general operating fund of the Department. It is used to account for all financial resources, except those required to be accounted for in another fund. Under Section 17-1-14, NMSA, 1978, the Game Protection Fund is a non-reverting fund. The State Game Commission shall have general control over the collection and disbursement of all money collected or received under the State laws for the protection and propagation of game and fish. The money shall be paid over to the State Treasurer to the credit of the Game Protection Fund, and the Fund, including all earned income there from, shall not be transferred to another fund. Chapter 17 NMSA 1978 shall be a guaranty to the person who pays for hunting and fishing licenses and permits that the money in the Fund shall not be used for any purpose other than as provided in Chapter 17 NMSA 1978.

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 Special Revenue Funds are:

Habitat Management Fund - SHARE Fund No. 49400. The Habitat Management Fund was created under Section 17-2-14, NMSA, 1978. The fund is a non-reverting fund. The purpose of the fund is for the improvement, maintenance, development and operation of property for fish and wildlife habitat management. It is funded through the sale of habitat management stamps. Anyone purchasing a resident or nonresident license or a wildlife-associated recreation permit must purchase a habitat management stamp. The Habitat Management Fund is a non-major fund.

Big Game Enhancement Fund - SHARE Fund No. 77200. Under the terms of Section 17-3-16.1, NMSA, 1978 compilation, all money collected from the issuance and sale of the bighorn sheep and elk enhancement permits shall be credited to the Game Protection Fund to be used exclusively for bighorn sheep, elk and deer preservation, restoration and management. Under Section 17-1-14, NMSA, 1978, the fund is a non-reverting fund. The Big Game Enhancement Fund is a non-major fund.

Big Game Depredation Fund - SHARE Fund No. 54900. The Big Game Depredation Fund was created by the 2001 Legislature to establish a program to correct damage to federal, state or private land caused by big game and to prevent such damage in the future. It is funded through the sale of big game depredation stamps. Anyone purchasing a big game hunting license must purchase a big game depredation stamp. Under Section 17-3-13.3, the fund is a non-reverting fund. The Big Game Depredation Fund is a non-major fund.

STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Trail Safety Fund - SHARE Fund No.10840. The Trail Safety Fund was established under statute 66-3-1019, NMSA 1978. The fund is non-reverting and consists of revenues from off-highway motor vehicle registration and user fees, grants and donations. The Trail Safety Fund is a non-major fund.

Sikes Act Fund - SHARE Fund No. 09700. The Sikes Act Fund was created by U.S. Public Law 93-452 (Sikes Act). The fund is used to account for the issuance and sale of public land management area stamps. The fees collected for these stamps are used exclusively in carrying out conservation and rehabilitation programs as defined in the Sikes Act. Under Section 17-1-14, NMSA, 1978, the fund is a nonreverting fund. The Sikes Act Fund is a non-major fund.

Share with Wildlife Fund - SHARE Fund No. 30700. The need for a "Share with Wildlife Fund" was established by Chapter 343, Laws of 1981, which required that additional wildlife funds be provided from a voluntary check-off designation of tax refunds due to the taxpayer on the New Mexico state income tax form. This program is supplemental to any other funding and is in no way intended to take the place of the funding that would otherwise be appropriated to the Department. Under Section 17-1-14, NMSA, 1978, the fund is a non-reverting fund. The Share with Wildlife Fund is a non-major fund.

Debt Service Fund - Debt Service Funds are funds used to account for the repayment of principal and interest of long-term debt. The Debt Service Fund is:

Bond Interest and Retirement Fund - SHARE Fund No. 42800. Under Section 17-1-22, NMSA, 1978, the fund is a non-reverting fund and is used to account for the accumulation of resources and the payment of principal and interest of bonds issued under the Game and Fish Bond Act. The Bond Interest and Retirement Fund is a non-major fund.

Capital Projects - Capital Projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Capital Outlay Fund - SHARE Fund No. 88700. Under Section 17-1-22, NMSA, 1978, the fund is a non-reverting fund and is used to account for the capital projects undertaken by the Department, as approved by the State Game Commission. Funds deposited and utilized to finance the projects include the remaining monies from the Fish and Wildlife Conservation Bonds of 1976 or surplus funds from the Bond Retirement Fund, as well as severance tax bond proceeds. The Capital Outlay Fund is a major fund.

Fiduciary (Agency) Funds - Fiduciary Funds include the Department's expendable trust and agency funds, which are used to account for assets held by the Department in the capacity of trustee or agent for individuals, other governmental entities, and/or other funds. Expendable trust funds are classified for accounting purposes in essentially the same manner as agency

**STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

fund types, using the same measurement focus and basis of accounting. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. These funds are not incorporated into the government-wide financial statements. The Agency account is:

Operation Game Thief/Law Enforcement - SHARE Fund No. 78700. The cash balance in the Operation Game Thief/Law Enforcement Fund consists of donations and unused special hunt fees. The money is used to reward anonymous callers who turn in wildlife violators to the Department. This fund is not maintained by the Department of Finance and Administration. It has a separate bank account.

Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/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.

Accrual Basis - The accrual basis of accounting is utilized by the governmental funds and fiduciary funds in the government-wide financial statements. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Modified Accrual Basis - All governmental funds (in the fund financial statements) are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

Reconciliation is presented on the pages following the Fund Balance Sheets and the Statement of Revenues, Expenditures and Changes in Fund Balance. The reconciliations briefly explain the adjustments necessary to transform the fund-based financial statements (modified accrual basis) into the government-wide presentation (full accrual).

Cash

Cash consists of cash on deposit with area banks, which is held for use by the Law Enforcement Division. It also reflects a minor amount of cash maintained in petty cash accounts. In the normal course of cash activity, the Department maintains cash at financial institutions below the FDIC insured limits.

**STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments Held by State Treasurer's Office and the State Investment Council

Investments held by the State Treasurer's Office consist of required deposits made to the State Treasurer's Office. The State Treasurer's Office monitors the accounts and the State Treasurer issues separate financial statements, which disclose the collateral pledged to secure these deposits. The investments are valued at fair value based on quoted market prices as of the valuation date.

The audit report of the financial statements was not received prior to the completion of this audit. The State Treasurer invests all public monies held in excess of the minimum compensating balance maintained with the fiscal agent bank in accordance with an investment policy approved by the State Board of Finance.

It is the Department's position that all deposits at the State Treasurer's Office are reported at carrying value, which reasonably estimates fair value.

The Investment Council is a component of the primary government of the State of New Mexico. The Investment Council pool of investments is monitored by the same investment committee, and the same policies and procedures apply that apply to all other state investments at the Investment Council.

The Department also maintains an investment account at the New Mexico State Investment Council (Investment Council) for the Share with Wildlife Fund 30700. The investments are valued at fair value based on quoted market prices as of the valuation date. Participation in the Investment Council is voluntary under a Joint Powers Agreement. Other auditors perform the audit of the Investment Council. The report was not received prior to the completion of this audit.

The Investment Council is a component of the primary government of the State of New Mexico. Investment Council pool of investments is monitored by the same investment committee, and the policies and procedures apply that apply to all other state investments at the Investment Council.

The Department participates in three investment pools that are offered by the Investment Council, which include both equity and fixed investments. Investments are stated at fair value in accordance with Statement No. 31 of the Governmental Accounting Standards Board (GASB 31). Investment transactions are recorded on the trade date. Dividends are recognized as income when declared.

The pool participation is based at the rate of \$1,000 per unit at the time the funds were placed into the pool by the participant. The pool invests in U.S. Treasury bonds and notes, government-sponsored enterprise and agency issues and corporate bonds and notes. The original investment was \$550,000 or 550 units.

STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables

Federal - Various reimbursement procedures are used for federal awards received by the Department. Consequently, timing differences between expenditures and program reimbursements can exist at any time during the fiscal year. Receivable balances at fiscal year end represent an excess of modified accrual basis expenditures over cash reimbursements received to date. The expenditures on federal grants are disclosed in the accompanying Schedule of Expenditures of Federal Awards.

Vendors - Accounts receivable from vendors represent amounts due from the sale of hunting and fishing licenses for June 2014. Amounts are to be remitted to the Department by the tenth (10th) of the month following the month of sale. All receivables are believed to be fully collectible; therefore, no allowance has been recorded.

Interest - Interest on investments is recorded as revenue in the year the interest is earned and is available to pay liabilities of the current period.

Nature and Purpose of Reservations and Designations of Fund Balances

• **Governmental Funds**

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. See Note 19 for additional information about fund balances.

• **Use of Restricted Resources**

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

Interfund Receivables and Payables

Short-term amounts owed between funds are classified as "Due to/from other funds" in the fund statements. In the government-wide statements, these amounts are eliminated.

**STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets are recorded as expenditures in the governmental funds and capitalized at cost in the government-wide statements. The valuation bases for capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement. Items purchased or acquired with an original cost of \$5,000 or more are capitalized and reported at cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlay that significantly extend the useful life of an asset are also capitalized. Costs for repairs and maintenance are expensed as incurred. In the fiscal year 2006, the capitalization policy changed from \$1,000 to \$5,000 for capitalizing capital assets. The Department has elected to include assets that cost less than \$5,000 but equal to or more than \$1,000, and were purchased prior to July 1, 2005, on their capital asset inventory and financial statements.

Depreciation on assets is provided on a straight-line basis with no salvage value over the following estimated useful lives: Fencing - 15 years; Furniture and Fixtures - 10 years; Data Processing Equipment - 5 years; Equipment - 5 to 15 years; Automobiles - 6 to 12 years; Buildings and Structures - 25 to 50 years; and Infrastructure – 30 years. Land, Land Improvements, and Work in Progress are not depreciated. Software acquired is capitalized and depreciated over 5 years. The Department has no internally developed software that requires capitalization. All capital assets are free of related debt.

Compensated Absences

Qualified employees are entitled to accumulate annual leave according to a graduated leave schedule of 80 to 160 hours per year, depending upon length of service and employee's hire date. A maximum of 30 working days (240 hours) of such accumulated annual leave may be carried forward into the beginning of the calendar year and any excess leave is lost.

When employees terminate, they are compensated for accumulated unpaid annual leave as of the date of termination, up to a maximum of 240 hours. Accumulated annual leave is not expected to be liquidated with expendable available financial resources and is reported in the general long-term debt group.

Qualified employees are entitled to accumulate sick leave at the rate of one day for each calendar month of service. There is no limit to the amount of sick leave that an employee may accumulate. Once per fiscal year in either January or July, employees may elect to be paid up to 50% of accrued sick leave in excess of 600 up to 720 hours, but not to exceed 120 hours (net 60 hours can be paid). In the case of retiring employees, up to 200 net hours in excess of the 600 hour minimum limit can be paid. Sick leave balances from 600 to 720 hours are recorded at 50% of the employee's current hourly rate in the compensated absences category.

**STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program Revenues

Revenue items included in program revenues consist of sales of fishing and hunting licenses, sales of special use stamps, penalties and fines, special hunt application fees and miscellaneous permits. Items included in other revenue consist of penalties and fines, sale of crops and lease of land and equipment.

Budgets and Budgetary Accounting

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

Legal compliance is monitored through the establishment of a budget and a financial control system that permits a budget to actual expenditure comparison. Expenditures by category may not legally exceed appropriations. Budgeted line-item classifications may be amended upon approval from the State Budget Division. The basis of accounting for the budget, as appropriated by the State Legislature and approved by the State Budget Division, differs from the basis of accounting required by GAAP.

Per the General Appropriation Act, Laws of 2007, Chapter 28, Section 3, item N, "For the purpose of administering the General Appropriation Act of 2008 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 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 should be disclosed. There are no encumbrances outstanding at year-end with the exception of Capital Projects, Fund 887, because the Capital Projects Funds include multi-year appropriations.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Department did not have any items that qualified for reporting in this category as of June 30, 2014.

**STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Department did not have any items that were required to be reported in this category as of June 30, 2014.

Net Position

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

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

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

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

NOTE 3 – CASH

Cash in banks consists of cash on deposit with area banks, amounting to \$91,470, which is primarily held for use by the Law Enforcement Division. These deposits are insured or collateralized with securities held by its agent in the entity's name. The Department completes a cash reconciliation, by fund, to verify the cash balances that are stated in the State's central account system, SHARE. This process has been in place prior to the implementation of SHARE and it will continue monthly for the Department.

NOTE 4 - STATE GENERAL FUND INVESTMENT POOL

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

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

**STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 4 - STATE GENERAL FUND INVESTMENT POOL (CONTINUED)

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

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

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

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

NOTE 5 - INTEREST IN THE STATE GENERAL FUND INVESTMENT POOL

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

At June 30, 2014 the Department had \$61,108,182 invested in the State General Fund Investment Pool.

Interest Rate Risk

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

**STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 5 - INTEREST IN THE STATE GENERAL FUND INVESTMENT POOL (CONTINUED)

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 6 - INVESTMENTS

State law requires the Department's investments to be managed by the New Mexico State Treasurer's Office, with the exception of those belonging to the Share with Wildlife Fund (see Schedule 1). The Department has entered into a joint powers agreement with the State Investment Council, which is authorized to offer investment advisory or management services, including the Pooled Investment Funds, pursuant to section 6-8-7.G, NMSA 1978. Accordingly, the investments of the Department consist of investments in the investment pools managed by these two entities.

The fair value of the investments maintained at the New Mexico State Treasurer's Office and the State Investment Council External Pooled Investment Funds are as follows at June 30, 2014:

**STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 6 – INVESTMENTS (CONTINUED)

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
New Mexico State Treasurer's Office:		
General Fund Investment Pool	1 day to 3 years	\$ <u>61,108,182</u>
State Investment Council:		
Equity funds:		
Non-U.S. Developed Markets	N/A	50,199
Emerging Markets	N/A	22,423
Fixed Income:		
U.S. Core Bonds	1 to 39 years	217,272
Large Cap Index	N/A	339,194
Mid/Small Cap Index	N/A	<u>102,222</u>
State Investment Council Total		<u>731,310</u>
Total Investments		\$ <u>61,839,492</u>

Interest Rate Risk

The Department 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 rates.

Credit Risk

For additional GASB 40 disclosure information related to the above investment pools, the reader should refer to the separate audit reports for the State Treasurer's Office and the State Investment Council for the fiscal year ended June 30, 2014.

**STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 7 – DUE FROM AND DUE TO OTHER STATE AGENCIES

Due from and due to other state agencies represent interagency receivables and payables arising from interagency transactions.

Due From and Due To Other State Agencies

Due From Other State Agencies	Fund No.	Amount	Due From Agency/Fund	Fund No.	Amount
Office of the State Engineer	55000	\$ 95,598	Game Protection Fund	19800	\$ 95,598
STO-Interest on Deposits	80100	580	Game Protection Fund	19800	580
STO-Interest on Deposits	80100	2,992	Game Protection Fund	19800	2,992
STO-Interest on Deposits	80100	94	Big Game Depredation Fund	54900	94
STO-Interest on Deposits	80100	280	Big Game Enhancement Fund	77200	280
New Mexico Taxation & Revenue	33300	62,220	Trail Safety Fund	10840	62,220
STO-Interest on Deposits	80100	159	Trail Safety Fund	10840	159
New Mexico Taxation & Revenue	33300	615	Share with Wildlife Fund	30700	615
STO-Interest on Deposits	80100	30	Share with Wildlife Fund	30700	30
STO-Interest on Deposits	80100	49	Bond Interest & Retirement	42800	49
STO-Interest on Deposits	80100	130	Sikes Fund	09700	130
Total		<u>\$ 162,747</u>	Total		<u>\$ 162,747</u>

Due To Other State Agencies	Fund No.	Amount	Due To Agency/Fund	Fund No.	Amount
Trail Safety Fund	10840	\$ 260	Tourism Department-OHV Fees	26200	\$ 260
Trail Safety Fund	10840	4,420	Motor Vehicle Department Energy & Minerals and Natural Resources - State Parks	17200	4,420
Game Protection Fund	20010	<u>279,758</u>		20010	<u>279,758</u>
Total		<u>\$ 284,438</u>	Total		<u>\$ 284,438</u>

**STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 8 - CAPITAL ASSETS

A summary of changes in capital assets follows:

Governmental-type Activities	Balance, June 30, 2013	Additions	Deletions	Balance, June 30, 2014
Assets being depreciated:				
Infrastructure	\$ 10,822,115	\$ 5,164,706	\$ (12,371)	\$ 15,974,450
Fencing	5,080,838	-	-	5,080,838
Furniture and fixtures	807,896	19,079	-	826,975
Data processing equipment	552,208	52,039	-	604,247
Equipment	6,600,312	320,643	(35,793)	6,885,162
Automobiles	6,467,289	586,956	(117,430)	6,936,815
Buildings and structures	<u>25,910,005</u>	<u>1,038,176</u>	<u>(760,794)</u>	<u>26,187,387</u>
Total assets being depreciated	<u>56,240,663</u>	<u>7,181,599</u>	<u>(926,388)</u>	<u>62,495,874</u>
Less accumulated depreciation:				
Infrastructure	(6,098,356)	(414,323)	12,371	(6,500,308)
Fencing	(3,174,051)	(291,859)	-	(3,465,910)
Furniture and fixtures	(344,616)	(29,588)	-	(374,204)
Data processing equipment	(342,992)	(52,884)	20,986	(374,890)
Equipment	(4,574,664)	(248,647)	117,430	(4,705,881)
Automobiles	(3,960,798)	(458,167)	750,998	(3,667,967)
Buildings and structures	<u>(9,477,892)</u>	<u>(831,467)</u>	<u>-</u>	<u>(10,309,359)</u>
Total accumulated depreciation	<u>(27,973,369)</u>	<u>(2,326,935)</u>	<u>901,785</u>	<u>(29,398,519)</u>
Assets not being depreciated:				
Land	33,287,492	245,000	-	33,532,492
Rights and easements	398,059	-	-	398,059
Library and museum	1,000	-	-	1,000
Work in progress	<u>93,554</u>	<u>-</u>	<u>-</u>	<u>93,554</u>
Total assets not being depreciated	<u>33,780,105</u>	<u>245,000</u>	<u>-</u>	<u>34,025,105</u>
Net total capital assets	<u>\$ 62,047,399</u>	<u>\$ 5,099,664</u>	<u>\$ (24,603)</u>	<u>\$ 67,122,460</u>

Depreciation of \$2,326,935 was charged to the Game and Fish Resource Conservation Program.

**STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 9 – LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2014:

Governmental-type Activities	Balance at June 30, 2013	Increase	Decrease	Balance at June 30, 2014	Due Within One Year
Compensated absences payable	\$ 1,011,689	\$ 612,149	\$ (826,457)	\$ 797,381	\$ 734,983

The Game Protection Fund is used to liquidate compensated absences.

NOTE 10 – OPERATING TRANSFERS

Operating transfers consist of the following for the year ending June 30, 2014:

Intra-agency Transfers

Agency/Fund	Transfers In	Transfers Out	Total
516-19800 Game Protection Fund - Major Fund	\$ -	\$ (8,025,000)	\$ (8,025,000)
516-49400 Habitat Management Fund	-	(1,100,000)	(1,100,000)
516-88700 Capital Improvement Fund	9,125,000	-	9,125,000
	<u>\$ 9,125,000</u>	<u>\$ (9,125,000)</u>	<u>\$ -</u>

Inter-agency Transfers

Agency/Fund	Transfers In	Transfers Out	Total
516-19800 Game Protection Fund - Major Fund	\$ -	\$ (182,300)	\$ (182,300)
	<u>\$ -</u>	<u>\$ (182,300)</u>	<u>\$ (182,300)</u>
550-21400 Office of the State Engineer	\$ 182,300	\$ -	\$ 182,300
	<u>\$ 182,300</u>	<u>\$ -</u>	<u>\$ 182,300</u>

Transfers are the result of Federal subrecipient payments to both the Energy, Minerals & Natural Resources Department and the Office of the State Engineer.

**STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
NOTES TO FINANCIAL STATEMENTS
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NOTE 11 - PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

Plan Description

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

Funding Policy

Plan members are required to contribute 8.92% of their gross salary. The Department is required to contribute 15.09% of the gross covered salary. The contribution requirements of plan members and the Department are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The Department's contributions to PERA for the fiscal years ending June 30, 2014, 2013 and 2012 were \$1,965,278, \$1,715,359 and \$1,427,821, respectively, which equal the amount of the required contributions for each fiscal year.

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.

**STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
NOTES TO FINANCIAL STATEMENTS
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**NOTE 12 - POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN
(CONTINUED)**

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.

Funding Policy

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3,4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2014, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 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, 2014, 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 \$237,255, \$227,481 and \$204,640, respectively, which equal the required contributions for each year.

**STATE OF NEW MEXICO
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NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 13 – OPERATING LEASE OBLIGATIONS

The Department is committed under several leases for office space, grounds and various equipment. These leases are considered for accounting purposes to be operating leases and are not reflected in the Department's liabilities accrued at June 30, 2014.

The following is a schedule by years of future minimum lease payments required under operating leases that have initial or remaining non-cancelable terms in excess of one year as of June 30, 2014.

Years ending June 30:

2015	\$ 596,995
2016	283,527
2017	285,847
2018	194,071
2019	128,891
2020 and thereafter	<u>324</u>
Total	<u>\$ 1,489,655</u>

Total lease expense for the year ended June 30, 2014 was \$786,963.

NOTE 14 – FEDERAL GRANTS

The Department receives federal grants, which may be refundable in the event that all terms of the grants are not complied with. In the opinion of management, no material refunds will occur.

NOTE 15 - RISK MANAGEMENT

The Department 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. There are no pending or known threatened legal proceedings involving material matters to which the Department is party. There were no significant reductions or changes in insurance coverage from the prior year. Settled claims did not exceed coverage in any of the past three fiscal years.

NOTE 16 - JOINT POWERS AGREEMENTS

Details of Joint Powers Agreements are disclosed in Supplemental Schedule 3.

**STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 17 - GOVERNMENTAL FUND BALANCES

The Department's fund balances represent: 1) Non-spendable, which include amounts that cannot be spent because they are in a non-spendable form or because they are legally or contractually required to be maintained intact; 2) 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; 3) 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; 4) 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:

The Department's fund balances are restricted under the Code of Federal Regulation - Title 50: Wildlife and Fisheries.

50CFR 80.3 - Assent Legislation states: A State fish and wildlife agency must certify the number of people having paid licenses to hunt and paid licenses to fish because the Service uses these data in statutory formulas to apportion funds in the Wildlife Restoration and Sport Fish Restoration programs among the States.

50 CFR 80.4 - Diversion of license fees states: Revenues from license fees paid by hunters and fishermen shall not be diverted to purposes other than administration of the State fish and wildlife agency.

(a) Revenues from license fees paid by hunters and fishermen are any revenues the State receives from the sale of licenses issued by the State conveying to a person the privilege to pursue or take wildlife or fish. For the purpose of this rule, revenue with respect to license sales by vendors is considered to be the net income to the State after deducting reasonable vendor fees or similar amounts retained by sales agents. License revenues include income from:

(1) General or special licenses, permits, stamps, tags, access and recreation fees or other charges imposed by the State to hunt or fish for sport or recreation.

(2) Sale, lease, rental, or other granting of rights of real or personal property acquired or produced with license revenues. Real property includes, but is not limited to, lands, building, minerals, energy resources, timber, grazing, and animal products. Personal property includes, but is not limited to, equipment, vehicles, machine, tools, and annual crops.

(3) Interest, dividends, or other income earned on license revenues.

(4) Project reimbursements to the States to the extent that license revenues originally funded the project for which the reimbursement is being made.

(b) For purposes of this rule, administration of the State fish and wildlife agency include only those functions required to manage the fish and wildlife-oriented resources of the State for which the agency has authority under State law.

**STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 17 - GOVERNMENTAL FUND BALANCES (CONTINUED)

(c) A diversion of license fee revenues occurs when any portion of license revenues is used for any purpose other than the administration of the State fish and wildlife agency.

(d) If a diversion of license revenues occurs, the State becomes ineligible to participate under the pertinent Act from the date the diversion is declared by the Director until:

(1) Adequate legislative prohibitions are in place to prevent diversion of license revenue, and

(2) All license revenues or assets acquired with license revenues are restored, or an amount equal to license revenue diverted or current market value of assets diverted (whichever is greater) is returned and properly available for use for the administration of the State fish and wildlife agency.

(d) Federal funds obligated for projects approved prior to the date a diversion is declared remain available for expenditure on such projects without regard to the intervening period of the State's ineligibility.

	General Fund	Major Capital Projects	Nonmajor Special Revenue Funds					Debt Service	
	Game Protection Fund 19800	Capital Projects 88700	Habitat Management 49400	Big Game Enhancement 77200	Big Game Depredation 54900	Trail Safety Fund 10840	Sikes Act 97000	Share with Wildlife 30700	Bond Interest & Retirement Fund 42800
Fund Balances:									
Nonspendable prepaid	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted for:									
50 CFR 80.3 and 80.4 Wildlife and Fisheries	36,077,095	11,548,304	2,666,266	3,734,308	1,456,662	2,104,714	1,478,635	891,661	840,454
Committed	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
Total	\$ 36,227,095	\$ 11,548,304	\$ 2,666,266	\$ 3,734,308	\$ 1,456,662	\$ 2,104,714	\$ 1,478,635	\$ 891,661	\$ 840,454

NOTE 18 – NEW PRONOUNCEMENTS

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27*. This Statement improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards governing accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement will be effective for the Department in fiscal year 2015. The Department is in the process of evaluating the impact of this pronouncement on its financial statements.

**STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
NOTES TO FINANCIAL STATEMENTS
June 30, 2014**

NOTE 18 – NEW PRONOUNCEMENTS (CONTINUED)

In January 2013, the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, an amendment of GASB Statement No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This Statement will be effective for the Department in fiscal year 2015. The Department is in the process of evaluating the impact of this pronouncement on its financial statements.

In January 2013, the GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term *government combination* includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This Statement will be effective for the Department in fiscal year 2015. The Department is in the process of evaluating the impact (if any) of this pronouncement on its financial statements.

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

SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2014

	<u>Special</u>		
	<u>Habitat Management Fund - 49400</u>	<u>Big Game Enhancement Fund - 77200</u>	<u>Big Game Depredation Fund - 54900</u>
ASSETS			
Investment in State Treasurer General Fund Investment Pool	\$ 2,604,127	\$ 3,764,341	\$ 1,491,817
Long-term investments	-	-	-
Receivables:			
Due from other state agencies	-	280	94
Due from federal government	137,239	203,476	-
TOTAL ASSETS	<u>\$ 2,741,366</u>	<u>\$ 3,968,097</u>	<u>\$ 1,491,911</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 75,100	\$ 230,256	\$ 35,249
Accrued payroll	-	3,533	-
Other Liabilities	-	-	-
Due to other state agencies	-	-	-
Total liabilities	<u>75,100</u>	<u>233,789</u>	<u>35,249</u>
FUND BALANCES			
Restricted	<u>2,666,266</u>	<u>3,734,308</u>	<u>1,456,662</u>
Total fund balances	<u>2,666,266</u>	<u>3,734,308</u>	<u>1,456,662</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,741,366</u>	<u>\$ 3,968,097</u>	<u>\$ 1,491,911</u>

<u>Revenue Funds</u>			<u>Debt Service Fund</u>	
<u>Trail Safety Fund - 10840</u>	<u>Sikes Act Fund - 09700</u>	<u>Share with Wildlife Fund - 30700</u>	<u>Bond Interest Retirement Fund - 42800</u>	<u>Total</u>
\$ 2,110,080	1,809,715	\$ 198,033	\$ 840,405	\$ 12,818,518
-	-	731,310	-	731,310
62,379	130	645	49	63,577
<u>-</u>	<u>65,550</u>	<u>47,543</u>	<u>-</u>	<u>453,808</u>
<u>\$ 2,172,459</u>	<u>\$ 1,875,395</u>	<u>\$ 977,531</u>	<u>\$ 840,454</u>	<u>\$ 14,067,213</u>
\$ 24,225	\$ 396,760	\$ 85,870	\$ -	\$ 847,460
6,956	-	-	-	10,489
31,884	-	-	-	31,884
4,680	-	-	-	4,680
<u>67,745</u>	<u>396,760</u>	<u>85,870</u>	<u>-</u>	<u>894,513</u>
<u>2,104,714</u>	<u>1,478,635</u>	<u>891,661</u>	<u>840,454</u>	<u>13,172,700</u>
<u>2,104,714</u>	<u>1,478,635</u>	<u>891,661</u>	<u>840,454</u>	<u>13,172,700</u>
<u>\$ 2,172,459</u>	<u>\$ 1,875,395</u>	<u>\$ 977,531</u>	<u>\$ 840,454</u>	<u>\$ 14,067,213</u>

STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2014

	Special		
	Habitat Management Fund - 49400	Big Game Enhancement Fund - 77200	Big Game Depredation Fund - 54900
REVENUES			
Service revenue	\$ 832,929	\$ 887,033	\$ 458,440
Federal grants	349,370	956,304	-
Interest earned	-	2,416	774
Other revenue	-	-	-
Realized/unrealized gain or loss on investments	-	-	-
Total revenues	<u>1,182,299</u>	<u>1,845,753</u>	<u>459,214</u>
EXPENDITURES			
Game and Fish Resource Conservation	287,509	932,337	119,917
Capital Outlay	<u>154,000</u>	<u>6,815</u>	<u>-</u>
Total expenditures	<u>441,509</u>	<u>939,152</u>	<u>119,917</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	740,790	906,601	339,297
OTHER FINANCING SOURCES (USES)			
Intra-agency transfers	<u>(1,100,000)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,100,000)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(359,210)	906,601	339,297
FUND BALANCES, BEGINNING OF YEAR	<u>3,025,476</u>	<u>2,827,707</u>	<u>1,117,365</u>
FUND BALANCES, END OF YEAR	<u>\$ 2,666,266</u>	<u>\$ 3,734,308</u>	<u>\$ 1,456,662</u>

Revenue Funds			Debt Service Fund	
Trail Safety Fund - 10840	Sikes Act Fund - 09700	Share with Wildlife Fund - 30700	Bond Interest Retirement Fund - 42800	Total
\$ 692,130	\$ 903,989	\$ 3,100	\$ 264,618	\$ 4,042,239
3,020	73,852	74,765	-	1,457,311
1,656	1,175	223	462	6,706
-	-	39,098	-	39,098
-	-	141,356	-	141,356
<u>696,806</u>	<u>979,016</u>	<u>258,542</u>	<u>265,080</u>	<u>5,686,710</u>
510,173	841,952	164,999	-	2,856,888
26,383	147,756	245,000	-	579,954
<u>536,556</u>	<u>989,708</u>	<u>409,999</u>	<u>-</u>	<u>3,436,842</u>
160,250	(10,692)	(151,457)	265,080	2,249,868
-	-	-	-	(1,100,000)
-	-	-	-	(1,100,000)
160,250	(10,692)	(151,457)	265,080	1,149,868
1,944,464	1,489,327	1,043,118	575,374	12,022,831
<u>\$ 2,104,714</u>	<u>\$ 1,478,635</u>	<u>\$ 891,661</u>	<u>\$ 840,454</u>	<u>\$ 13,172,700</u>

STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
HABITAT MANAGEMENT FUND - 49400
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Service revenue	\$ 440,000	\$ 440,000	\$ 832,929	\$ 392,929
Federal grants	360,000	360,000	349,370	(10,630)
Other revenue	-	-	-	-
TOTAL REVENUES AND OTHER FINANCING SOURCES	800,000	800,000	1,182,299	382,299
Fund balance budgeted	1,100,000	1,100,000	-	-
TOTAL REVENUES AND FUND BALANCE BUDGETED	\$ 1,900,000	\$ 1,900,000	1,182,299	\$ 382,299
EXPENDITURES AND OTHER FINANCING USES				
Contractual services	\$ 200,000	\$ 200,000	174,459	\$ 25,541
Other costs	600,000	600,000	267,050	332,950
Other financing uses	1,100,000	1,100,000	1,100,000	-
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 1,900,000	\$ 1,900,000	1,541,509	\$ 358,491
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES			\$ (359,210)	

NOTE: There were no reconciling items required for GAAP presentation.

STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
BIG GAME ENHANCEMENT FUND - 77200
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Service revenue	\$ 571,600	\$ 571,600	\$ 887,033	\$ 315,433
Federal grants	290,900	290,900	956,304	665,404
Interest earned	1,000	1,000	2,416	1,416
TOTAL REVENUES AND OTHER FINANCING SOURCES	863,500	863,500	1,845,753	982,253
Fund balance budgeted	688,800	688,800	-	-
TOTAL REVENUES AND FUND BALANCE BUDGETED	\$ 1,552,300	\$ 1,552,300	1,845,753	\$ 982,253
EXPENDITURES AND OTHER FINANCING USES				
Personnel services & benefits	\$ 92,300	\$ 92,300	76,256	\$ 16,044
Contractual services	555,000	555,000	393,673	161,327
Other costs	505,000	505,000	469,223	35,777
Other financing uses	400,000	400,000	-	400,000
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 1,552,300	\$ 1,552,300	939,152	\$ 613,148
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES			\$ 906,601	

NOTE: There were no reconciling items required for GAAP presentation.

STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
BIG GAME DEPREDAATION FUND - 54900
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance From Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES AND OTHER FINANCING SOURCES				
Service revenue	\$ 311,600	\$ 311,600	\$ 458,440	\$ 146,840
Federal grants	-	-	-	-
Interest earned	800	800	774	(26)
TOTAL REVENUES AND OTHER FINANCING SOURCES	312,400	312,400	459,214	146,814
Fund balance budgeted	212,600	212,600	-	-
TOTAL REVENUES AND FUND BALANCE BUDGETED	\$ 525,000	\$ 525,000	459,214	\$ 146,814
EXPENDITURES AND OTHER FINANCING USES				
Contractual services	\$ 25,000	\$ 75,000	64,547	\$ 10,453
Other costs	500,000	450,000	55,370	394,630
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 525,000	\$ 525,000	119,917	\$ 405,083
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES			\$ 339,297	

NOTE: There were no reconciling items required for GAAP presentation.

STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
TRAIL SAFETY FUND - 10840
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Service revenue	\$ 573,500	\$ 573,500	\$ 692,130	\$ 118,630
Federal grants	-	-	3,020	3,020
Interest earned	-	-	1,656	1,656
Other revenue	-	-	-	-
TOTAL REVENUES AND OTHER FINANCING SOURCES	573,500	573,500	696,806	123,306
Fund balance budgeted	<u>87,500</u>	<u>87,500</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES AND FUND BALANCE BUDGETED	\$ 661,000	\$ 661,000	696,806	\$ 123,306
EXPENDITURES AND OTHER FINANCING USES				
Personnel services & benefits	\$ 304,500	\$ 304,500	275,396	\$ 29,104
Contractual services	20,000	20,000	9,264	10,736
Other costs	<u>336,500</u>	<u>336,500</u>	<u>251,896</u>	<u>84,604</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 661,000	\$ 661,000	536,556	\$ 124,444
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES			\$ 160,250	

NOTE: There were no reconciling items required for GAAP presentation.

STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
SIKES ACT FUND - 09700
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance From Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES AND OTHER FINANCING SOURCES				
Service revenue	\$ 781,200	\$ 781,200	\$ 903,989	\$ 122,789
Federal grants	-	577,940	73,852	(504,088)
Interest earned	1,900	1,900	1,175	(725)
Other revenue	-	-	-	-
TOTAL REVENUES AND OTHER FINANCING SOURCES	783,100	1,361,040	979,016	(382,024)
Fund balance budgeted	<u>70,000</u>	<u>85,000</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES AND FUND BALANCE BUDGETED	<u>\$ 853,100</u>	<u>\$ 1,446,040</u>	<u>979,016</u>	<u>\$ (382,024)</u>
EXPENDITURES AND OTHER FINANCING USES				
Personnel services & benefits	\$ 97,100	\$ 112,100	88,337	\$ 23,763
Contractual services	-	-	-	-
Other costs	<u>756,000</u>	<u>1,333,940</u>	<u>901,371</u>	<u>432,569</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 853,100</u>	<u>\$ 1,446,040</u>	<u>989,708</u>	<u>\$ 456,332</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES			<u>\$ (10,692)</u>	

NOTE: There were no reconciling items required for GAAP presentation.

STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
SHARE WITH WILDLIFE FUND - 30700
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES AND OTHER FINANCING SOURCES				
Service revenue	\$ 3,600	\$ 3,600	\$ 3,100	\$ (500)
Federal grants	82,500	82,500	74,765	(7,735)
Interest earned	-	-	223	223
Other revenue	42,000	42,000	39,098	(2,902)
Realized gain, net of unrealized (loss)	-	-	141,356	141,356
TOTAL REVENUES AND OTHER FINANCING SOURCES	128,100	128,100	258,542	130,442
Fund balance budgeted	<u>36,900</u>	<u>336,900</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES AND FUND BALANCE BUDGETED	<u>\$ 165,000</u>	<u>\$ 465,000</u>	<u>258,542</u>	<u>\$ 130,442</u>
EXPENDITURES AND OTHER FINANCING USES				
Personnel services & benefits	\$ -	\$ -	-	\$ -
Contractual services	165,000	165,000	165,000	-
Other costs	-	300,000	244,999	55,001
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 165,000</u>	<u>\$ 465,000</u>	<u>409,999</u>	<u>\$ 55,001</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES			<u>\$ (151,457)</u>	

NOTE: There were no reconciling items required for GAAP presentation.

STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
BOND INTEREST RETIREMENT FUND - 42800
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES AND OTHER FINANCING SOURCES				
Service revenue	\$ -	\$ -	\$ 264,618	\$ 264,618
Interest on Investments	-	-	462	462
TOTAL REVENUES AND OTHER FINANCING SOURCES	-	-	265,080	265,080
Fund balance budgeted	150,000	150,000	-	-
TOTAL REVENUES AND FUND BALANCE BUDGETED	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>265,080</u>	<u>\$ 265,080</u>
EXPENDITURES AND OTHER FINANCING USES				
Personnel services & benefits	\$ -	\$ -	-	\$ -
Other financing uses	-	-	-	-
Other costs	-	-	-	-
Other financing uses	150,000	150,000	-	150,000
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>-</u>	<u>\$ -</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES			<u>\$ 265,080</u>	

NOTE: There were no reconciling items required for GAAP presentation.

STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
MAJOR CAPITAL PROJECTS FUND - 88700
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 2014

	Budgeted Amounts		Received	Received	Total Revenue	Variance From
	Original	Final	Prior Years	Current Year		Final Budget Positive (Negative)
REVENUES AND OTHER FINANCING SOURCES						
Federal sources	\$ 7,225,000	\$ 11,508,500	\$ 262,274	\$ 3,613,463	\$ 3,875,737	\$ (7,632,763)
Other financing sources	<u>8,722,500</u>	<u>9,122,500</u>	<u>1,537,267</u>	<u>9,125,000</u>	<u>10,662,267</u>	<u>1,539,767</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 15,947,500</u>	<u>\$ 20,631,000</u>	<u>\$ 1,799,541</u>	<u>\$ 12,738,463</u>	<u>\$ 14,538,004</u>	<u>\$ (6,092,996)</u>
EXPENDITURES						
Contractual services	\$ 1,768,403	\$ 1,768,403	\$ -	1,040,816	\$ 1,040,816	\$ 727,587
Other Costs	<u>14,179,097</u>	<u>18,862,597</u>	<u>1,799,541</u>	<u>5,493,024</u>	<u>7,292,565</u>	<u>11,570,032</u>
TOTAL EXPENDITURES	<u>\$ 15,947,500</u>	<u>\$ 20,631,000</u>	<u>\$ 1,799,541</u>	<u>\$ 6,533,840</u>	<u>\$ 8,333,381</u>	<u>\$ 12,297,619</u>
NET CHANGE IN FUND BALANCES				<u>\$ 6,204,623</u>		

NOTE: There were no reconciling items required for GAAP presentation.

SUPPLEMENTARY SCHEDULES

**STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
SCHEDULE 1 - SUPPLEMENTARY SCHEDULE OF CASH ACCOUNTS INCLUDING INVESTMENTS
Year Ended June 30, 2014**

<u>Name of Depository</u>	<u>Account Name</u>	<u>Fund Type</u>	<u>SHARE System Fund No.</u>	<u>Type of Account</u>	<u>Bank/Book Balance</u>	<u>Book Amount</u>
New Mexico State Treasurer	Game Protection Fund	General	19800	State Treasury	\$ 35,757,333	\$ 35,757,333
New Mexico State Treasurer	Trail Safety Fund	Special Revenue	10840	State Treasury	2,110,080	2,110,080
New Mexico State Treasurer	Sikes Fund	Special Revenue	09700	State Treasury	1,809,715	1,809,715
New Mexico State Treasurer	Capital Projects Fund	Capital	88700	State Treasury	12,532,331	12,532,331
New Mexico State Treasurer	Share with Wildlife Fund	Special Revenue	30700	State Treasury	198,033	198,033
New Mexico State Treasurer	Big Game Depredation Fund	Special Revenue	54900	State Treasury	1,491,817	1,491,817
New Mexico State Treasurer	Big Game Enhancement Fund	Special Revenue	77200	State Treasury	3,764,341	3,764,341
New Mexico State Treasurer	Habitat Management Fund	Special Revenue	49400	State Treasury	2,604,127	2,604,127
New Mexico State Treasurer	Bond Interest & Retirement Fund	Debt Service	42800	State Treasury	<u>840,405</u>	<u>840,405</u>
Total investments - State Treasurer's Office Investment Pool					61,108,182	61,108,182
State Investment Council	Share with Wildlife Fund	Special Revenue	30700	Investment	<u>731,310</u>	<u>731,310</u>
Total investments					<u>\$ 61,839,492</u>	<u>\$ 61,839,492</u>
Cash held in banks:						
Wells Fargo Bank	Agency Funds Cash: Law Enforcement Account			Checking	\$	5,758
Wells Fargo Bank	Agency Funds Cash: Game Thief Account			Checking		85,712
Dept. of Game and Fish	Petty Cash - Cashier - Santa Fe			Petty Cash		<u>3,300</u>
Total cash - Department of Game and Fish					\$	<u>94,770</u>

STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
SCHEDULE 2 - SUPPLEMENTARY SCHEDULE OF
CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
June 30, 2014

Operation Game Thief - Law Enforcement

	<u>Balance,</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance,</u> <u>June 30, 2014</u>
ASSETS				
Cash on deposit	\$ 90,068	\$ 51,157	\$ 49,755	\$ 91,470
TOTAL ASSETS	<u>\$ 90,068</u>	<u>\$ 51,157</u>	<u>\$ 49,755</u>	<u>\$ 91,470</u>
LIABILITIES				
Deposits held in custody for others	\$ 90,068	\$ 51,157	\$ 49,755	\$ 91,470
TOTAL LIABILITIES	<u>\$ 90,068</u>	<u>\$ 51,157</u>	<u>\$ 49,755</u>	<u>\$ 91,470</u>

STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
SCHEDULE 3 - SUPPLEMENTARY SCHEDULE OF JOINT POWERS AGREEMENTS
Year Ended June 30, 2014

	Participants	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
Engineering and project management services for Bear Canyon Restoration Project.	USFS, Region 3	1/1/2002	Ongoing	\$ -	\$ -	NMDGF
Master agreement to work cooperatively in managing wildlife on national forest lands.	USFS, Region 3	4/1/1958	Ongoing	\$ -	\$ -	NMDGF
Agreement to consult with the Department regarding livestock use permitted numbers on the Horsethief.	USFS, Santa Fe	4/1/1960	Ongoing	\$ -	\$ -	NMDGF
Amendment to clarify national forests and lands meaning in original 1958 agreement.	USFS, Region 3	2/1/1961	Ongoing	\$ -	\$ -	NMDGF
Amendment to 1958 agreement regarding constructing hunting and angling facilities in national forests.	USFS, Region 3	8/1/1964	Ongoing	\$ -	\$ -	NMDGF
Amendment to 1958 agreement regarding resource or land management in which state listed species or habitat may be affected.	USFS, Region 3	1/1/1980	Ongoing	\$ -	\$ -	NMDGF
Agreement to conserve and protect the peregrine falcon.	USFS, Region 3	3/1/1985	Ongoing	\$ -	\$ -	NMDGF
Revision to establish a new master agreement to manage wildlife on national forest land.	USFS, Region 3	4/1/1991	Ongoing	\$ -	\$ -	NMDGF
Establish a framework in which to share electronic data and other forms of information.	USFS, Region 3	5/1/1991	Ongoing	\$ -	\$ -	NMDGF
Release and study of gemsbok onto the range.	White Sands M.R.	6/1/1969	Ongoing	\$ -	\$ -	NMDGF
Coordination of vegetal control projects.	BLM	7/1/1972	Ongoing	\$ -	\$ -	NMDGF
Develop Jackson Lake Wildlife Management Area.	BLM	5/1/1987	Ongoing	\$ -	\$ -	NMDGF
Agency relationships and duties in the Pecos River EIS development.	U.S. BOR	2/1/2000	Ongoing	\$ -	\$ -	NMDGF
Restoration and management of Rio Grande Cutthroat Trout.	USFWS, Region 2	8/1/2000	Ongoing	\$ -	\$ -	NMDGF
Conservation of candidate, proposed and listed species and their habitats in the State of New Mexico.	USFWS, Region 2	10/094	Ongoing	\$ -	\$ -	NMDGF
Management of fish and wildlife on National Park Service property.	National Park Service	7/1/1972	Ongoing	\$ -	\$ -	NMDGF

STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
SCHEDULE 3 - SUPPLEMENTARY SCHEDULE OF JOINT POWERS AGREEMENTS (CONTINUED)
Year Ended June 30, 2014

	Participants	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
Wildlife management activities on public lands under the purview of the BLM.	U.S. BLM	12/1/1990	Ongoing	\$ -	\$ -	NMDGF
Cooperative measures specific to construction of new highways and impact to wildlife and proposed developments affecting streams flows or highway facilities.	NM State Highway Commission	9/1/1963	Ongoing	\$ -	\$ -	NMDGF & State Highway Dept.
Cooperative effort in wildlife management on State Trust lands leased by the Department.	State Land Office	4/1/1967	Ongoing	\$ -	\$ -	NMDGF & State Land Office
Agreement to develop and maintain Ute Dam Lake	Interstate Stream Comm.	8/1/1962	Ongoing	\$ 147,300	147300	NMDGF
Cooperative effort to develop resource management plans that affect wildlife and forest health.	EMNRD- State Forestry Division	2/1/1978	Ongoing	\$ -	\$ -	NMDGF
Utilize inmate work crews on habitat improvement projects on the Department's properties.	EMNRD - Forestry Div.	4/1/1998	Ongoing	Depends on amt. in oper. Budget	\$ -	NMDGF
Establishes process for accepting mine remediation funds to conduct remediation of mine waste at the upper Pecos site, including Lisboa Springs Hatchery.	NM DFA	6/1/1998	Ongoing	\$ -	\$ -	EMNRD
Agreement to initiate a bear study project on the Philmont Scout Ranch.	Philmont Scout Ranch	11/1/1987	Ongoing	\$ -	\$ -	NMDGF
Management agreement for the restoration of Rio Grande Cutthroat Trout on South Ponil Creek.	Philmont Scout Ranch	9/1/1999	Ongoing	\$ -	\$ -	NMDGF
Allows the Department to modify existing fences to minimize any restriction of movements by Desert Bighorn Sheep.	Mrs. R. Evans, Mr. A. Foster, Mr. R. Winkler	5/1/1981	Ongoing	\$ -	\$ -	NMDGF
Allows the Department to transplant sheep onto property owned by NMRP on the Fra Cristobal Mountains.	NM Ranch Properties	8/1/1995	Ongoing	\$ -	\$ -	NMDGF
Policy and procedures for handling depredating and nuisance bears by Vermejo Park personnel or agents.	Vermejo Park Ranch	5/1/2000	Ongoing	\$ -	\$ -	NMDGF
Develop and implement turkey projects in NM with funding by NWTF.	Ntl. Wild Turkey Federation	9/1/1988	Ongoing	\$ -	\$ -	NMDGF

STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
SCHEDULE 3 - SUPPLEMENTARY SCHEDULE OF JOINT POWERS AGREEMENTS (CONTINUED)
Year Ended June 30, 2014

	Participants	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
Allows the Department to transplant sheep on TGIA land in the Manzano Mountains.	Tierra Grande Improvement Assoc.	7/1/1998	Ongoing	\$ -	\$ -	NMDGF
Data collecting, processing and sharing of use of fish and wildlife resource information.	Nature Conservancy	5/1/1992	Ongoing	\$ -	\$ -	NMDGF
Parameters to develop, construct, monitor and maintain pilot wetland project on the SGC Picacho Bosque Wetland Project.	Southwest Environmental Center	7/1/2001	Ongoing	\$ -	\$ -	NMDGF
Establishes the bighorn sheep study on the San Andres National Wildlife Refuge.	White Sands MR & USFWS	6/1/1975	Ongoing	\$ -	\$ -	NMDGF
Conservation and management of wildlife on national forest and BLM lands (Sikes Act provisions).	USFS, Region 3 & BLM	11/1/1984	Ongoing	\$ -	\$ -	NMDGF
Management of wildlife on the missile range and the San Andres Refuge.	White Sands MR, USFWS, San Andres Refuge	6/1/1985	Ongoing	\$ -	\$ -	NMDGF
Establish mountain lion study and mule deer study areas, terms and conditions.	White Sands MR, USFWS, San Andres Refuge	7/1/1985	Ongoing	\$ -	\$ -	NMDGF
Implement collective management programs to sustain and enhance distribution and abundance of sage grouse in each state/province.	Western Assoc. of Fish & Wildlife Agencies	8/1/1999	Ongoing	\$ -	\$ -	NMDGF
Work with NM Cowbells to develop and promote Operation Respect.	BLM, USFS, NM Land Office	7/1/1983	Ongoing	\$ -	\$ -	NMDGF
Temporary agreement concerning administration of Navajo Reservoir for recreation and fish and wildlife management.	EMNRD State Parks Div. & BOR	5/1/1997	Ongoing	\$ -	\$ -	NMDGF & EMNRD State Parks
Establishes Middle Rio Grande Endangered Species Act Collaborative Program	USFWS, SEO, ISC, NMAG & BOR	1/1/2000	Ongoing	\$ -	\$ -	NMDGF
Establishes animal damage control guidelines.	USFWS, BLM, USFS, NM Ag.	2/1/1978	Ongoing	\$ -	\$ -	NMDGF
Analysis of data, report, recommendations and development of water management plans for Pecos Bluntnose Shiner.	CID, BOR, USFWS, NM State Engineer	2/1/1997	Ongoing	\$ -	\$ -	NMDGF

STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
SCHEDULE 3 - SUPPLEMENTARY SCHEDULE OF JOINT POWERS AGREEMENTS (CONTINUED)
Year Ended June 30, 2014

	Participants	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
Conservation strategies for the jaguar in Arizona and New Mexico.	AZDGF, USFWS, BLM, USFS, NPS, APHIS, NMDag., NMSLO, Hidalgo, Otero, Pima & Cochise Counties	UNK	UNK	\$ -	\$ -	NMDGF
Cooperative management of Vermejo Park Ranch, Valle Vidal and Carson National Forest lands.	USFS Reg. 3, Vermejo Park Corp.	2/1/1982	Ongoing	\$ -	\$ -	NMDGF
Establishes partnership for the protection and restoration of native fisheries.	Rio Grande chptr. of T.U., NM Trout Un., USFS Reg. 3, BLM	1/1/1997	Ongoing	\$ -	\$ -	NMDGF
Agreement to restore Rio Grande Cutthroat Trout in Poso Creek and Willow Creek.	Jacarillo Tribe, Running Elk Corp., USFWS Reg. 2	9/1/1998	Ongoing	\$ -	\$ -	NMDGF
Establish a relationship between the Department and the SIC.	SIC	7/28/1998	Ongoing	Depends on Fund	\$ 253	NMDGF
Ensure water is acquired and used for protection of listed threatened species.	Interstate Stream Commission, NMGF	4/1/2002	Ongoing	\$ -	\$ -	NMDGF & Int. Stream Comm.
Development, issuance and withdrawals of fish consumption advisories resulting from the presence of contaminants in fish tissues.	NMDGF, NMDOH, NMED	3/31/2004	Ongoing	\$ -	\$ -	NMDGF & Int. Stream Comm.
Establish broad policies for operation of a statewide Sikes Act Public Land Management Stamp Program in New Mexico.	USDA, Forest Service, NMDGF, USD	1/8/2005	Ongoing	Funds generated by sale of stamp.	\$ 1,402,900	NMDGF
Managed the elk population to improve herd quality; redistribution of voluntarily returned unused landowner authorization certificates.	NMDGF, Unit 4 Coop. Pilot Project.	7/15/2003	Ongoing	\$ -	\$ -	NMDGF
Installation of a trick tank in the Ranger District of Carson National Forest.	NMDGF, USDA Forest Svc.	12/11/2002	Ongoing	\$ -	\$ -	NMDGF
Management of the WIPP withdrawal area.	USDE, NMDGF, EMNR, OCA, SLO	4/25/1997	Ongoing	\$ -	\$ -	NMDGF

STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
SCHEDULE 3 - SUPPLEMENTARY SCHEDULE OF JOINT POWERS AGREEMENTS (CONTINUED)
Year Ended June 30, 2014

	Participants	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
Environmental Impact Statement for amendment to the Mimbres Resource Management Plan and Revision to White Sands RMP.	DOI, BLM, Las Cruces Dist. Office, NMDGF	3/13/2006	Ongoing	\$ -	\$ -	NMDGF
Maintain, manage and supervise all state parks and state owned or lease recreation areas; acquire, develop, improve and manage lands for game refuge.	EMNRD, NMDGF	2/14/1989	Ongoing	\$ -	\$ -	NMDGF
Reimburse ISC an amount not to exceed \$40,000 for costs for managing and operating Eagle Nest Dam.	NMDGF, State Eng. Ofc., Interstate Stream Comm.	9/25/2003	Ongoing	\$ 40,000	\$ 40,000	NMDGF
Maintain specimens of fishes collected for scientific studies or other activities.	NMDGF, Regents of UNM thru Div. of Fishes, Museum of SW Biol., UNM-ABQ	7/18/2006	Ongoing	\$ -	\$ -	NMDGF
Governing the relationship between the Department and BLM regarding Special Status Species Resource Management Plan Amendment (SSSRMPA).	NMDGF, Pecos District of BLM	3/24/2005	Ongoing	\$ -	\$ -	NMDGF
Set forth conditions for license across SGC land in Taos County for proposed public access trail known as the Pescado Trail.	US Dept. of Interior, BLM-Taos Field Office	7/1/2007	6/30/2017	\$ -	\$ -	NMDGF
Establish a formal framework by which the Department will work with Virginia Tech to maintain and improve the BISON-M.	NMDGF, VPISU	5/7/2007	N/A	\$ -	\$ -	NMDGF
The Department will conduct the Rio Grande cutthroat trout spawning project within the municipal reservoirs operated by the Water Division.	NMDGF, City of SF Water Div.	9/11/2007	N/A	\$ -	\$ -	NMDGF
Agreement between the NMSGC and the City of Hobbs to manage the property and lake, and their associated uses, cooperatively and effectively.	NMSGC, City of Hobbs	11/3/2008	Ongoing	\$ -	\$ -	NMDGF
For the Conservation, Protection and Management of multi-state aquatic resources in adjacent waters.	NMDGF, Arizona DGF, California DGF, Nevada DGF, Colorado DGF, Utah DGF, Wyoming DGF	3/6/2008	Ongoing	\$ -	\$ -	NMDGF
Collaborative planning and the production of an Environmental Impact Statement for a revision to the Rio Puerco Resource Management Plan.	NMDGF, USBLM	1/28/2009	Ongoing	\$ -	\$ -	NMDGF

STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
SCHEDULE 3 - SUPPLEMENTARY SCHEDULE OF JOINT POWERS AGREEMENTS (CONTINUED)
Year Ended June 30, 2014

	Participants	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
The Off-highway Motor Vehicle Act provides that responsibility and authority for management of personnel, property, records and appropriations is transferred from the NM Tourism Department to the Department.	NMDGF, NMTD	4/22/2009	Ongoing	\$ -	\$ -	NMDGF
Agreement for the construction of a game resistant fence on property owned by Stockton.	NMDGF, Gene Stockton	5/29/2009	Ongoing	\$ -	\$ -	NMDGF
To work cooperatively to remove feral sheep, goats and pigs from areas where they may pose a threat to wildlife and agricultural resources.	NMDGF, Livestock Board	9/9/2009	6/30/2014	\$ -	\$ -	NMDGF
To provide a framework for cooperation and coordination between the BLM and the Cooperator that will ensure successful completion of RMP/EIE in a timely, efficient, and thorough manner.	NMDGF, USDI-BLM Taos Field Office	12/15/2009	Ongoing	\$ -	\$ -	NMDGF
To promote effective communication and collaboration between the state agency and New Mexico Indian nations, tribes and pueblos.	NMDGF, 22 Indian Nations, Tribes and Pueblos	12/16/2009	Ongoing	\$ -	\$ -	NMDGF
The Department grants and assigns to EMNDR authorization to operate State Parks in the areas designated for use as State Parks.	NMDGF, NMSGC, EMNRD	12/21/2010	Ongoing	\$ -	\$ -	NMDGF
To protect and monitor the water quality, water availability, and conservation of water resources in the reservoir.	NMDGF, ISC EMNRD SPD, Ute Reservoir	12/22/2010	Ongoing	\$ -	\$ -	NMDGF
To utilize water from Bear Canyon Reservoir pertaining to New Mexico State Engineer for emergency fire suppression.	NMDGF, Forest Service and OSE OSE	6/7/2011	Ongoing	\$ -	\$ -	NMDGF
Irrigation of Storrie project lands located within the New Mexico (McAllister) Wildlife Refuge or for storage within McAllister Lake.	NMDGF, City of Las Vegas	6/21/2011	Ongoing	\$ -	\$ -	NMDGF
To acquire a perpetual conservation easement for the property located north of Luna, NM in Catron County.	NMDGF, EMNRD	7/27/2011	6/30/2014	\$ 997,900	\$ -	NMDGF
To protect and preserve against adverse effects to cultural properties when implementing programs under Chapter 17, NMSA 1978.	NMDGF, NM Historic Preservation	10/11/2011	Ongoing	\$ -	\$ -	NMDGF
To establish a cooperative relationship between Jicarilla G&F and DGF with regards to the importation of fish and cervids.	NMDGF, Jicarilla DGF	4/30/2012	Ongoing	\$ -	\$ -	NMDGF
Exercises common power over the use of the National Resource Center on the State Fair Grounds for enjoyment and education.	NMDGF, NM State Fair	5/17/2012	Ongoing	\$ -	\$ -	NMDGF

STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
SCHEDULE 3 - SUPPLEMENTARY SCHEDULE OF JOINT POWERS AGREEMENTS (CONTINUED)
Year Ended June 30, 2014

	Participants	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
An amendment to establish a policy for Statewide Sikes Act Public Land Management Stamp (Habitat Stamp) Program.	NMDGF, NM Historic Preservation	10/11/2011	Ongoing	\$ -	\$ -	NMDGF
An amendment to allow leverage funding for wildlife conservation in developing wildlife habitat along the middle Rio Grande River corridor.	NMDGF, USDI and USDA NRCS	7/27/2012	Ongoing	\$ -	\$ -	NMDGF
Agreement for the City of Raton to operate a public trash management system using "roll off" containers that have bear proof lids that will be provided by DGF.	NMDGF, City of Raton	8/7/2012	Ongoing	\$ -	\$ -	NMDGF
On-line course amendment.	Kalkomey	7/27/2013	Ongoing	\$ -	\$ -	NMDGF
Set aside a contiguous block of land open to hunting/fishing and minimize interference to the grazing leasee/holder.	L Bar & Pintosa Ranches	8/8/2013	Ongoing	\$ -	\$ -	NMDGF
Set aside a contiguous block of land open to hunting/fishing and minimize interference to the grazing leasee/holder.	Pajarito Ranch	8/8/2013	Ongoing	\$ -	\$ -	NMDGF
Set aside a contiguous block of land open to hunting/fishing and minimize interference to the grazing leasee/holder.	Armstrong Ranch	8/8/2013	Ongoing	\$ -	\$ -	NMDGF
Set aside a contiguous block of land open to hunting/fishing and minimize interference to the grazing leasee/holder.	Bettis Stoval Ranch	8/8/2013	Ongoing	\$ -	\$ -	NMDGF
Set aside a contiguous block of land open to hunting/fishing and minimize interference to the grazing leasee/holder.	I Bar X Ranch	8/8/2013	Ongoing	\$ -	\$ -	NMDGF
Provide land which meets the Department's required specifications for the development of an OHV site on the Village's property.	Los Lunas Village and NMDGF (OHV)	8/27/2013	Ongoing	\$ -	\$ -	NMDGF
The Karr Farm Land Transfer in Eddy County, NM	USBOR, Karr Farm Land, NMSHPO	9/3/2013	Ongoing	\$ -	\$ -	NMDGF
Provide land which meets the Department's required specifications for the development of an OHV site on the County's property.	Rio Arriba County and NMDGF (OHV)	9/6/2013	Ongoing	\$ -	\$ -	NMDGF
To provide entry upon and through certain state trust lands. Expires March 31, 2015.	State Game Commission NMDGF	12/12/2013	Ongoing	\$ -	\$ -	NMDGF
Pave Marina Way in order to provide improved access to boating and fishing recreational opportunities.	Village of Eagle Nest and NMDGF	12/12/2013	Ongoing	\$ -	\$ -	NMDGF

STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
SCHEDULE 3 - SUPPLEMENTARY SCHEDULE OF JOINT POWERS AGREEMENTS (CONTINUED)
Year Ended June 30, 2014

	Participants	Dates of Agreement		Amount Applicable	Amount Contributed	Audit Responsibility
		Beginning	Ending			
Edwards Ranch doesn't want to participate in OPEN GATE at this time.	Edward Stokes Ranch and NMDGF	12/12/2013	Ongoing	\$ -	\$ -	NMDGF
Only for deer and barbary sheep hunting season, the landowner will keep gates unlocked during the deer and Barbary Sheep hunting seasons only.	Felix Canyon Ranch and NMDGF	12/12/2013	Ongoing	\$ -	\$ -	NMDGF
Revise the 1998 Mexican Wolf nonessential experimental population rule.	Arizona BLM, NM BLM, BIA, US Customs and Border Protection, National Park Service, US Army Fort Huachuca, White Sands Missile Range, USFWS	12/12/2013	Ongoing	\$ -	\$ -	NMDGF
Management of Lake Roberts on behalf of State Game Commission.	DOT and NMDGF	2/5/2014	Ongoing	\$ -	\$ -	NMDGF

SINGLE AUDIT

STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2014

Federal Agency/ Pass-Through Agency	Federal CFDA Number	Federal Participating Expenditures
U.S. Department of Interior:		
Sport Fish and Wildlife Restoration Cluster:		
Sport Fish Restoration *	15.605	\$ 9,860,146
Wildlife Restoration *	15.611	<u>7,662,498</u>
Total Sport Fish and Wildlife Restoration Cluster		17,522,644
Bureau of Land Management 2014	15.231	38,703
Pecos River Fish Community Monitoring	15.517	8,733
San Juan River	15.529	132,459
USFWS Central Arizona Project	15.608	230,857
Cooperative Endangered Species	15.615	127,790
Hunter Safety Education Section 10	15.626	90,000
State Wildlife Grants *	15.634	663,009
USFWS Great Plains LCC	15.650	55,000
Passed through Bureau of Land Management:		
Western Governor's Association	xx.xxx	<u>64,504</u>
Total U.S. Department of Interior		<u>18,933,699</u>
Total Federal Expenditures		<u>\$ 18,933,699</u>

* Tested as major programs.

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

**STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2014**

GENERAL

The accompanying Supplemental Schedule of Expenditures of Federal Awards presents the activities of all federal awards of the Department.

BASIS OF ACCOUNTING

The accompanying Supplemental Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 2 to the Department's basic financial statements.

NON-CASH ASSISTANCE

The Department did not receive any federal non-cash assistance during the year ended June 30, 2014.

SUBRECIPIENTS

The Department records disbursements to subrecipients on the cash basis of accounting for the purpose of requesting reimbursement from the federal grantor agencies:

<u>Type</u>	<u>Amount</u>
Boating Access, State Parks Division, New Mexico Energy, Minerals and Natural Resources Dept. CFDA No. 15.605	\$ 279,758
Boating Access, Office of the State Engineer. CFDA No. 15.605	<u>182,300</u>
Total Disbursed to Subrecipients	<u>\$ 462,058</u>



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**Independent Auditors' Report on Internal Control over Financial Reporting
and on Compliance and other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Members of the Commission
State of New Mexico
Department of Game and Fish
Mr. Hector H. Balderas
New Mexico State Auditor

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparison of the general fund of the State of New Mexico Department of Game and Fish (the 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 3, 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.

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. *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 charge with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We also did not identify any deficiencies in internal control that we consider to be significant deficiencies.

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 one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as finding 2014-001.

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 questioned costs. The Department's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

CliftonLarsonAllen LLP



Albuquerque, New Mexico
December 3, 2014



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Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Federal Program and on Internal Control over Compliance in Accordance with OMB Circular A-133

Members of the Commission
State of New Mexico
Department of Game and Fish
Mr. Hector H. Balderas
New Mexico State Auditor

Report on Compliance for Each Major Federal Program

We have audited State of New Mexico Department of Game and Fish's (the Department's) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Department's major federal programs for the year ended June 30, 2014. The Department's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Department's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Department's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Department's compliance.

Opinion on Each Major Federal Program

In our opinion, New Mexico Department of Game and Fish complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control over Compliance

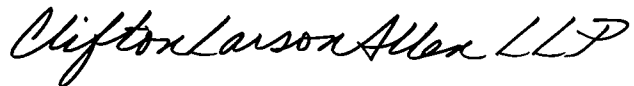
Management of the Department is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Department's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP



Albuquerque, New Mexico
December 3, 2014

**STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2014**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiencies identified that are not considered to be material weakness(es)? yes none reported

Type of auditor's report issued on compliance for major program: Unmodified.

Any audit findings, disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? yes no

Identification of major programs:

CFDA

<u>Number(s)</u>	<u>Name of Federal Program or Cluster</u>
15.605/611	Sportfish Wildlife Restoration and Basic Hunter Education Cluster:
15.605	Sport Fish Restoration
15.611	Wildlife Restoration and Basic Hunter Education
15.634	State Wildlife Grants

Dollar threshold used to distinguish between type A and type B programs \$568,011

Auditee qualified as low-risk auditee? yes no

**STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2014**

Section II – Financial Statement Findings

Finding 2014-001 Interagency Transactions (Other non-compliance)

Condition: During testwork over inter-fund balances, it was identified that the Department is not recording interagency transactions in a consistent manner with other state agencies. As a result of these inconsistencies, an adjustment was required in the amount of \$63,415.

Criteria: MAPs FIN 3.1 establishes policies and procedures for state agencies to follow to ensure accurate recording and reporting of interagency transactions. Furthermore, as required by GASB 33, derived tax revenues should be recognized when the underlying exchange has occurred and the resources are available.

Cause: Management oversight, lack of timely communication among state agencies to ensure interagency transactions are being recorded consistently amongst each other and in accordance with generally accepted accounting principles.

Effect: Interfund balances are not properly recorded, which leads to inconsistencies when preparing the State's financial statements.

Recommendation: We recommend management continue to be proactive in working with other state agencies in which the Department transacts with, to ensure timely and accurate reporting of these transactions. Furthermore, the Department should communicate with the Statewide Financial Reporting and Accounting Bureau regarding any interagency transactions in which the Department is unable to resolve among the agency itself or guidance is needed regarding the appropriate recognition of the transactions.

Management's Response: The Department recognizes that communication with other State Agencies regarding revenue transfer needs to be timely and resulting transactions must be recorded properly. The Department will work to identify an internal control procedure to ensure that all revenue transfers, both in and out of the Department, are recorded per GAAP and the State of New Mexico MAP standards.

**STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2014**

Section III – Federal Award Findings and Questioned Costs

There were no findings for the year ended June 30, 2014.

**STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
June 30, 2014**

Section II – Financial Statement Findings

Finding 2012-002 Journal Entry Review (Significant Deficiency) - Resolved

Condition: During testwork over Undistributed Receipts, we noted the liability balance was overstated by \$4,619,458. This was due to an incorrect journal entry that increased the Undistributed Receipts liability account and decreased the Hunting and License Sales revenue.

Section III – Federal Award Findings and Questioned Costs

Finding 2013-002 Reconciliation (Cash Management Qualification) of Federal Awards and Expenditures (Material Weakness) - Resolved

Federal Program: All

Federal Agency: Department of the Interior

Questioned Costs: None

Condition: During federal revenue and expenditure testwork, we noted a lack of adequate reconciliation process between federal revenue received and federal revenue expenditures incurred during the year. This lack of reconciliation led to reimbursements during the fiscal year that were under-drawn by \$200,200 for the Wildlife/Sport Fish Restoration Cluster and \$57,195 for the State Wildlife Grants program. Additionally, there was revenue of \$242,383 that should have been included in the prior year accounts receivable, but was not recognized until the current year.

Finding 2013-003 Incorrect Reimbursement (Cash Management Qualification) of Federal Funds (Material Weakness) - Resolved

Federal Program: Wildlife and Sport Fish Restoration Cluster (CFDA #15.605/611) and State Wildlife Grants (#15.634)

Federal Agency: Department of the Interior

Questioned Costs: \$690,622

Condition: During testwork over the schedule of expenditures and federal revenue, we noted a lack of reconciliation and review over reimbursement draw-downs, which resulted in an overdraft of federal monies of \$690,622. Due to the submission of incorrect reimbursements, we were unable to obtain support for expenditures that comprised the reimbursement.

**STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
June 30, 2014**

Section III – Federal Award Findings and Questioned Costs (continued)

**Finding 2013-004 Lack of Controls over the Payroll Process (Allowable Costs)
(Significant Deficiency) - Resolved**

**Federal Program: Wildlife and Sport Fish Restoration Cluster (CFDA #15.605/611) and
State Wildlife Grants (CFDA #15.634)**

Federal Agency: Department of the Interior

Questioned Costs: \$997

Condition: During testwork over Allowable Costs (Payroll), we noted one timesheet was not signed by an employee, one timesheet was not signed by the supervisor, two grants were undercharged by a total of \$997 and one grant was overcharged by \$205, for a net amount of \$792 undercharged. Forty payroll samples were tested for the Wildlife/Sport Fish Restoration program and forty samples were tested for the State Wildlife Grants program.

Section IV – Other

Finding 2013-001 Missing Background Check (Other) - Resolved

Condition: During our compliance testwork over personnel files, we found that one out of twenty-two files tested did not contain a background check in the personnel file of a law enforcement employee.

**STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH
EXIT CONFERENCE
June 30, 2014**

An exit conference was held with the Department on December 3, 2014. The conference was held at the Department's offices in Santa Fe, New Mexico. The conference was held in a closed meeting to preserve the confidentiality of the audit information prior to the official release of the financial statements by the State Auditor. In attendance were:

**STATE OF NEW MEXICO
DEPARTMENT OF GAME AND FISH**

Alexa Sandoval, Director
Paul Kienzle, Chairman, State Game Commission
R.J. Kirkpatrick, Assistant Director
Clarissa Romero, Accounts Payable Supervisor
Rhonda Holderman, Licensing Supervisor
Paul Varela, Budget Director/CFO
Gail Craven, Accountant/Auditor
Dave Rohrbach, ASD Chief
Chris Chadwick, Assistant Director
Dan Brooks, Deputy Director
Angelica Ruiz, HR Manager

CLIFTONLARSONALLEN LLP

Patrick Wilkins, CPA, Principal
Raul Anaya, CPA, CGFM, CFE, Senior Manager
Carson Townsend, CPA, Senior Associate

PREPARATION OF FINANCIAL STATEMENTS

The financial statements presented in this report have been prepared by the Department, with guidance from the independent auditor. They are the responsibility of management, as addressed in the Independent Auditors' Report.