

STATE OF NEW MEXICO
COMMISSION ON THE STATUS OF WOMEN
Albuquerque, New Mexico

FINANCIAL STATEMENTS
June 30, 2012

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**STATE OF NEW MEXICO COMMISSION ON THE STATUS OF WOMEN
OFFICIAL ROSTER
June 30, 2012**

COMMISSION MEMBERS

Agnes Maldonado, Chair (Albuquerque)

Dolores (Lori) Kitts (Flora Vista) -District 1

Adolfo Alarid (Santa Fe) – District 2

Gerald Gallegos (Ojo Caliente) – District 2

Jennifer James (Albuquerque) – District 3

Erin Van Soelen (Clovis) – District 4

Janet Carrejo (Reserve) – District 5

Judy Ledford (Carlsbad) – District 6

Cynthia Ann West (Ruidoso) – District 6

Virginia Robertson (Las Cruces) – District 7

Diamantina Storment (Las Cruces) – District 7



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Independent Auditors' Report

To the Members of
State of New Mexico
Commission on the Status of Women
Mr. Hector H. Balderas
New Mexico State Auditor

We have audited the accompanying financial statements of the governmental activities, each major fund, and the budgetary comparisons for the general fund and the major special revenue funds of the State of New Mexico Commission on the Status of Women (the Commission) as of and for the year ended June 30, 2012, which collectively comprise the Commission's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Commission as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 2 to the financial statements, the Commission was not funded for fiscal year 2012. There were no operations or employees during the year, and all transactions reflected in the accompanying statements were initiated by the Department of Finance and Administration.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2013, on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our

testing of internal control over financial reporting and compliance and the results of 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* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9 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.

Our audit was conducted for the purpose of forming opinions on the basic financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The additional schedules listed as "other supplemental information" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

CliftonLarsonAllen LLP
Albuquerque, New Mexico
June 3, 2013

**STATE OF NEW MEXICO COMMISSION ON THE STATUS OF WOMEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2012**

The State of New Mexico Commission on the Status of Women (the Commission) Management's Discussion and Analysis (MD&A) is designed to assist the reader in focusing on significant financial issues, provide an overview of the Commission's financial activity, identify changes in the Commission'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 Commission's financial statements and notes which follow this section.

Overview of the Financial Statements

This annual report consists of three parts: 1) management's discussion and analysis, 2) the basic financial statements, and 3) notes to the financial statements.

The basic financial statements include two kinds of statements that provide different views of the Commission. The first two statements are government-wide financial statements that provide both long-term and short-term information about the Commission's overall financial status. The remaining statements are fund financial statements that focus on individual parts of the Commission's operations in more 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 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 Assets shows the Commission's overall financial position as of June 30, 2012. This financial statement is comparable to the balance sheet in a private sector entity's set of financial statements. A Statement of Net Assets differs from a balance sheet in several ways, but there is one main difference. The Commission 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 assets.

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 2012. The statement provides the net asset balance at the beginning of the year and the balance at the end of the year. The difference between revenue and expenditure amounts provides for the change in net assets.

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

**STATE OF NEW MEXICO COMMISSION ON THE STATUS OF WOMEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2012**

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

The Commission has one fund type:

Governmental Funds - All of the Commission'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 help the user determine whether there are more or fewer financial resources that can be spent in the near future to finance the Commission'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.

Financial Analysis of the Commission as a Whole

Net Assets: Total Commission net assets for fiscal year ended June 30, 2012 are \$51,411. However, all of those assets are restricted as to the purposes they can be used for.

**STATE OF NEW MEXICO COMMISSION ON THE STATUS OF WOMEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2012**

**Table A-1
The Commission's Net Assets**

	<u>FY 2012</u>	<u>FY2011</u>	<u>Amount Change</u>	<u>Total % Change</u>
Assets:				
Current and other assets	\$ 437,105	\$ 372,298	\$ 64,807	17.41%
Capital assets	-	-	-	-
Total assets	<u>\$ 437,105</u>	<u>\$ 372,298</u>	<u>\$ 64,807</u>	17.41%
Liabilities:				
Current liabilities	<u>\$ 385,694</u>	<u>\$ 302,742</u>	<u>\$ 82,952</u>	27.40%
Total liabilities	<u>385,694</u>	<u>302,742</u>	<u>82,952</u>	27.40%
Net assets:				
Restricted	71,452	69,556	1,896	2.73%
Unrestricted	<u>(20,041)</u>	<u>-</u>	<u>(20,041)</u>	-
Total net assets	<u>51,411</u>	<u>69,556</u>	<u>(18,145)</u>	-26.09%
Total liabilities and net assets	<u>\$ 437,105</u>	<u>\$ 372,298</u>	<u>\$ 64,807</u>	17.41%

The Commission total assets are comprised of \$437,105 in current and other assets. The overall increase in total assets from the previous fiscal year is \$64,807. Liabilities are also broken out into two segments: current liabilities and non-current liabilities. The total amount of current liabilities is \$385,694, an increase of 27.4% from the prior year balance of \$302,742. This increase is attributable to an increase in deferred revenue from the prior year.

**STATE OF NEW MEXICO COMMISSION ON THE STATUS OF WOMEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2012**

Governmental Activities: The table below summarizes the Commission's activities for the fiscal years ended June 30, 2012 and 2011. Total change in net assets from the previous fiscal year was a decrease of \$18,145. Program revenues, which are mostly made up of federal grant money, decreased 99.9% from FY2011. Related federal expenditures which are reported in public service expenses decreased 100%, in line with the decrease in federal revenues.

**Table A-2
The Commission's Activities**

	<u>FY 2012</u>	<u>FY2011</u>	<u>Amount Change</u>	<u>Total % Change</u>
Revenues:				
Program revenues	\$ 368	\$ 751,374	\$ (751,006)	-99.95%
General	-	542,891	(542,891)	-100.00%
Total revenues	368	1,294,265	(1,293,897)	-99.97%
Expenses:				
General government	(1,535)	524,542	(526,077)	-100.29%
Public service	20,048	739,597	(719,549)	-97.29%
Total expenses	18,513	1,264,139	(1,245,626)	-98.54%
Change in net assets	(18,145)	30,126	(48,271)	-160.23%
Net assets, beginning	69,556	39,430	30,126	76.40%
Net assets, ending	\$ 51,411	\$ 69,556	\$ (18,145)	-26.09%

The Commission manages fund accounts that receive funding from sources created in the laws of the State of New Mexico, federal grants and other miscellaneous sources.

**STATE OF NEW MEXICO COMMISSION ON THE STATUS OF WOMEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2012**

Information on Individual Funds

The Commission is responsible for the management of four individual fund accounts. In addition to the general fund, there are three special revenue funds that have specific mandated uses. The first table below lists the beginning and ending cash balances for each fund managed by the Commission.

Fund Name	Balance, June 30, 2012	Balance, June 30, 2011	Total % Change
General Fund	\$ 311,706	\$ 195,705	59.27%
Conference Fund	\$ 65,166	\$ 65,458	0.45%
Girls Program Fund	\$ 6,955	\$ 6,955	0.00%
Teamworks Fund	\$ (71,573)	\$ (77,563)	7.72%

The tables below list the total revenue, net other financing sources, and expenditures for each fund managed by the Commission.

Fund Name	Revenue and Net Other Financing Sources		Total % Change
	Fiscal Year Ended June 30, 2012	Fiscal Year Ended June 30, 2011	
	General Fund	\$ 66	
Conference Fund	361	38,947	-99.07%
Girls Program Fund	-	425	-100.00%
Teamworks Fund	<u>7</u>	<u>702,104</u>	-99.99%
Total revenues and net other financing sources	<u>\$ 434</u>	<u>\$ 1,294,265</u>	-99.97%

Fund Name	Expenditures		Total % Change
	Fiscal Year Ended June 30, 2012	Fiscal Year Ended June 30, 2011	
General Fund	\$ -	\$ 552,889	-100.00%
Conference Fund	-	30,608	-100.00%
Girls Program Fund	-	785	-100.00%
Teamworks Fund	<u>20,048</u>	<u>702,104</u>	-97.14%
Total expenditures	<u>\$ 20,048</u>	<u>\$ 1,286,386</u>	-98.44%

**STATE OF NEW MEXICO COMMISSION ON THE STATUS OF WOMEN
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2012**

Budgets, Revenue and Expenditures

General Fund: For FY 2012, the Commission did not receive any appropriations and had no operating expenditures.

Capital Asset and Long-term Debt Activity

Capital Assets: The Commission did not hold any capital assets at June 30, 2012. All capital assets, which were fully depreciated, were transferred to the New Mexico Human Services Department.

Long-term Debt: The Commission does not hold any long-term debt and also had no long-term liabilities.

Anticipated Future Conditions and Changes

Funding for the Commission for the 2012 fiscal year was vetoed during the 2011 State of New Mexico Legislative session. Operations for the Commission ceased on July 1, 2011. Without General Fund appropriation for the 2012 fiscal year, the Commission entered into a memorandum of understanding (MOU) with the New Mexico Human Services Department (HSD) to assist and support the Commission administratively. Pursuant to NMSA 9-8-8, the Commission is administratively attached to HSD. HSD will assist and support the Commission in meeting statutory responsibilities and duties. The New Mexico Legislature approved a \$125,000 general fund appropriation for the 2013 fiscal year.

Contacting the Commission's Financial Management

The Commission's financial statements are designed to provide our constituents and stakeholders with a general overview of the Commission's finances and to show accountability for the money it receives. If you have questions about this report or need additional information, contact Commission on Status of Women CFO Donna Sandoval, Administrative Services Division, New Mexico Human Services Department, P.O. Box 2348, Santa Fe, New Mexico 87504-2348.

STATE OF NEW MEXICO COMMISSION ON THE STATUS OF WOMEN
STATEMENT OF NET ASSETS
June 30, 2012

ASSETS

	Governmental Activities
Current:	
State General Fund Investment Pool	\$ 383,827
Due from other state agencies	53,278
Total current assets	437,105
TOTAL ASSETS	\$ 437,105

LIABILITIES

Current:	
Investment account overdraft	\$ 71,573
Accounts payable	763
Accrued payroll and benefits	17,586
Deferred revenue	125,000
Due to State of New Mexico General Fund	170,772
Total current liabilities	385,694
Total liabilities	385,694

NET ASSETS

Restricted for Special Revenue Funds projects	71,452
Total net assets	51,411
TOTAL LIABILITIES AND NET ASSETS	\$ 437,105

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

STATE OF NEW MEXICO COMMISSION ON THE STATUS OF WOMEN
STATEMENT OF ACTIVITIES
Year Ended June 30, 2012

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues Operating Grants and Contributions</u>	<u>Net (Expenses), Revenue and Changes in Net Assets</u>
Governmental Activities:			
General government	\$ 1,535	\$ 66	\$ 1,601
Public service	<u>(20,048)</u>	<u>368</u>	<u>(19,680)</u>
Total governmental activities	<u>\$ (18,513)</u>	<u>\$ 434</u>	<u>(18,079)</u>
Transfers:			
Reversion to State General Fund FY11			(66)
CHANGE IN NET ASSETS			(18,145)
NET ASSETS, BEGINNING OF YEAR			<u>69,556</u>
NET ASSETS, END OF YEAR			<u>\$ 51,411</u>

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

**STATE OF NEW MEXICO COMMISSION ON THE STATUS OF WOMEN
BALANCE SHEET - GOVERNMENTAL FUNDS**

June 30, 2012

	General Fund	Conference	Girls Program	TeamWorks	Total Governmental Funds
ASSETS					
State General Fund					
Investment Pool	\$ 311,706	\$ 65,166	\$ 6,955	\$ -	\$ 383,827
Due from other funds	-	-	-	1,560	1,560
Due from other state agencies	-	-	-	53,278	53,278
TOTAL ASSETS	\$ 311,706	\$ 65,166	\$ 6,955	\$ 54,838	\$ 438,665
LIABILITIES					
Investment overdraft	\$ -	\$ -	\$ -	\$ 71,573	\$ 71,573
Accounts payable	94	669	-	-	763
Accrued payroll and benefits	14,280	-	-	3,306	17,586
Deferred revenue	125,000	-	-	-	125,000
Due to other funds	1,560	-	-	-	1,560
Due to State of New Mexico General Fund reversion FY11	170,772	-	-	-	170,772
Total liabilities	311,706	669	-	74,879	387,254
FUND BALANCES					
Restricted	-	64,497	6,955	-	71,452
Unassigned	-	-	-	(20,041)	(20,041)
Total fund balances	-	64,497	6,955	(20,041)	51,411
TOTAL LIABILITIES AND FUND BALANCES	\$ 311,706	\$ 65,166	\$ 6,955	\$ 54,838	\$ 438,665

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

**STATE OF NEW MEXICO COMMISSION ON THE STATUS OF WOMEN
RECONCILIATION OF THE BALANCE SHEET TO THE
STATEMENT OF NET ASSETS - GOVERNMENTAL FUNDS
June 30, 2012**

**TOTAL FUND BALANCE - GOVERNMENTAL FUNDS
(GOVERNMENTAL FUNDS BALANCE SHEET)**

\$ 51,411

**NET ASSETS OF GOVERNMENTAL ACTIVITIES
(STATEMENT OF NET ASSETS)**

\$ 51,411

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

**STATE OF NEW MEXICO COMMISSION ON THE STATUS OF WOMEN
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended June 30, 2012**

	General Fund	Conference	Girls Program	TeamWorks	Total Governmental Funds
REVENUES					
Miscellaneous	\$ 66	\$ 361	\$ -	\$ 7	\$ 434
Total revenues	<u>66</u>	<u>361</u>	<u>-</u>	<u>7</u>	<u>434</u>
EXPENDITURES					
Personal services/employee benefits	-	-	-	-	-
Other costs	-	-	-	20,048	20,048
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,048</u>	<u>20,048</u>
Excess (deficiency) of revenues over (under) expenditures	<u>66</u>	<u>361</u>	<u>-</u>	<u>(20,041)</u>	<u>(19,614)</u>
OTHER FINANCING SOURCES (USES)					
Reversion to State General Fund FY11	(66)	-	-	-	(66)
Total other financing sources	<u>(66)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(66)</u>
NET CHANGE IN FUND BALANCES	-	361	-	(20,041)	(19,680)
FUND BALANCES, BEGINNING OF YEAR	-	64,136	6,955	-	71,091
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ 64,497</u>	<u>\$ 6,955</u>	<u>\$ (20,041)</u>	<u>\$ 51,411</u>

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

STATE OF NEW MEXICO COMMISSION ON THE STATUS OF WOMEN
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 Year Ended June 30, 2012

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS (STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES)	\$ (19,680)
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Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in compensated absences	<u>1,535</u>
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CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES (STATEMENT OF ACTIVITIES)	\$ (18,145)
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The accompanying notes are an integral part of the financial statements.

**STATE OF NEW MEXICO COMMISSION ON THE STATUS OF WOMEN
STATEMENT OF REVENUES AND EXPENDITURES - GENERAL FUND -
BUDGET AND ACTUAL
Year Ended June 30, 2012**

GENERAL FUND				
	Budgeted Amounts		Actual Amounts (Budgetary GAAP Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 66	\$ 66
Total revenues	-	-	66	66
EXPENDITURES				
Personal services/employee benefits	-	-	-	-
Contractual services	100,000	100,000	-	100,000
Other	25,000	25,000	-	25,000
Total expenditures	125,000	125,000	-	125,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(125,000)	(125,000)	66	125,066
OTHER FINANCING SOURCES (USES)				
State General Fund appropriations	125,000	125,000	-	(125,000)
Reversions (Non-budgeted item)	-	-	(66)	(66)
Total other financing sources and uses	125,000	125,000	(66)	(125,066)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	\$ -	\$ -

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

**STATE OF NEW MEXICO COMMISSION ON THE STATUS OF WOMEN
STATEMENT OF REVENUES AND EXPENDITURES - SPECIAL REVENUE FUNDS
BUDGET AND ACTUAL
Year Ended June 30, 2012**

	CONFERENCE			
	Budgeted Amounts		Actual Amounts (Budgetary GAAP Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ 40,000	\$ 40,000	\$ 361	\$ (39,639)
Total revenues	40,000	40,000	361	(39,639)
EXPENDITURES				
Contractual services	15,000	15,000	-	15,000
Other	25,000	25,000	-	25,000
Total expenditures	40,000	40,000	-	40,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	361	361
NET CHANGE IN FUND BALANCE	\$ -	\$ -	\$ 361	\$ 361

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

**STATE OF NEW MEXICO COMMISSION ON THE STATUS OF WOMEN
STATEMENT OF REVENUES AND EXPENDITURES - SPECIAL REVENUE FUNDS
BUDGET AND ACTUAL (CONTINUED)
Year Ended June 30, 2012**

GIRLS PROGRAM				
	Budgeted Amounts		Actual Amounts (Budgetary GAAP Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ 20,000	\$ 20,000	\$ -	\$ (20,000)
Total revenues	20,000	20,000	-	(20,000)
EXPENDITURES				
Contractual services	5,000	5,000	-	5,000
Other	15,000	15,000	-	15,000
Total expenditures	20,000	20,000	-	20,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	-	-	-	-
NET CHANGE IN FUND BALANCE				
	\$ -	\$ -	\$ -	\$ -

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

**STATE OF NEW MEXICO COMMISSION ON THE STATUS OF WOMEN
STATEMENT OF REVENUES AND EXPENDITURES - SPECIAL REVENUE FUNDS
BUDGET AND ACTUAL (CONTINUED)
Year Ended June 30, 2012**

	TEAMWORKS			
	Budgeted Amounts		Actual Amounts (Budgetary GAAP Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Federal grants	\$ 850,000	\$ 850,000	\$ -	\$ (850,000)
Miscellaneous	-	-	7	7
Total revenues	850,000	850,000	7	(849,993)
EXPENDITURES				
Personal services/employee benefits	180,700	180,700	-	180,700
Contractual services	541,500	541,500	-	541,500
Other	127,800	127,800	-	127,800
Total expenditures	850,000	850,000	-	850,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	\$ -	7	\$ 7
NON-BUDGETED RECONCILING ITEMS				
Bad debt expense			20,048	
NET CHANGE IN FUND BALANCE			\$ (20,041)	

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

STATE OF NEW MEXICO COMMISSION ON THE STATUS OF WOMEN
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NATURE OF ORGANIZATION

The State of New Mexico Commission on the Status of Women (the Commission) was created by the Laws of 1974, Chapter 90, Subsection 1 and amended by the New Mexico Statutes Annotated, 1978 Compilation, Section 28-3-1 through 28-3-11. The Commission's purpose is to stimulate and encourage, throughout the State of New Mexico, the study and review of the status of women:

- Recommended methods of overcoming discrimination against women in public and private employment.
- Promote methods for enabling women to develop their skills, continue their education and be retained.
- Cooperate with and assist public and private entities dealing with women.
- Conduct periodic conferences throughout the State of New Mexico to apprise women of their rights and opportunities and to learn from them their needs and problems.
- Secure recognition of women's accomplishments and contributions to New Mexico.

The mission of the New Mexico Commission on the Status of Women is to increase awareness of the rights, responsibilities and interests of women and girls in New Mexico and to preserve women's history and contributions to the State. In partnership with the New Mexico State Human Services Department, the Commission administrators programs directed at workforce development for adult women in accordance with the maintenance-of-effort requirements for the temporary assistance for needy family block grant program.

NOTE 1 – 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 financial statements for the Commission 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 accounting policies established in GAAP and used by the Commission are described below.

STATE OF NEW MEXICO COMMISSION ON THE STATUS OF WOMEN
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GASB 14 defines the financial reporting entity as consisting of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. This definition of the reporting entity is based primarily on the notion of financial accountability as the "cornerstone of all financial reporting in government."

A primary government is any state government or general-purpose local government, consisting of all the organizations that make up its legal entity. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are, for financial reporting purposes, part of the primary government. The Commission, therefore, 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.

The Audit Act, Sections 12-6-1 through 12-6-14, NMSA 1978, requires the financial affairs of every agency to be thoroughly examined and audited each year, and a complete written report to be made. Moreover, the New Mexico State Auditor requires that each agency shall prepare financial statements in accordance with accounting principles generally accepted in the United States of America. As a result, the Commission has prepared and issued its own audited agency Annual Financial Report.

Included within the Commission for this purpose are the following: all of the programs that are administered and/or controlled by the Commission have been included.

No entities were noted that should be considered component units of the Commission. No entities were specifically excluded from the Commission because no entities were noted as meeting any of the criteria for potential inclusion.

Basic Financial Statements – Government-wide Statements

The basic financial statements include both government-wide (based on the Commission as a whole) and fund financial statements. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business type activities. In the government-wide Statement of Net Assets, both the governmental and business-type activities columns are presented on a consolidated basis by column, and are reflected on a full accrual, economic resources basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. The Commission did not have any business-type activities during the year ended June 30, 2012.

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 or a business-type activity. Program-related grants and contributions consist of donations for a conference and of federal grants for Temporary Assistance to Needy Families. The Commission includes only two functions (general government and public service).

STATE OF NEW MEXICO COMMISSION ON THE STATUS OF WOMEN
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The net cost (by function or business-type activity) is normally covered by general revenues (intergovernmental revenues or other revenue, etc.) The Commission does not currently employ indirect cost allocation systems.

This government-wide focus is more on the sustainability of the Commission as an entity and the change in aggregate financial position resulting from the activities of the current fiscal period.

Basic Financial Statements – Fund Financial Statements

The emphasis in fund financial statements is on the major funds in either the governmental or business-type categories. Non-major funds (by category) or fund type are summarized into a single column. The General Fund is required to be a major program, and the Commission has decided that since the three Special Revenue Funds are very important to the operations of the Commission, they should all be major funds. Therefore, there are no nonmajor funds. The Commission has no fiduciary funds or component units similar to fiduciary funds, but if the Commission did, they would not be included in the government-wide financial statements.

The governmental fund statements are presented on a current financial resources and modified accrual basis of accounting. This presentation is deemed appropriate to (a) demonstrate legal compliance, (b) demonstrate the source and use of liquid resources, and (c) demonstrate how the Commission'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 activities column, a reconciliation is presented on the page following each statement, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column on the governmental-wide presentation.

Interfund accounts, which are on the fund financial statements, would have been eliminated in the government-wide financial statements if there were any.

Basis of Presentation

The financial transactions of the Commission are maintained on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, expenditures or expenses and other financing sources or uses. Government resources are allocated to, and accounted for, in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the accompanying financial statements. The various funds are reported by generic classification within the financial statements.

GASB Statement 34 sets forth minimum criteria for the determination of major funds based on a percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or governmental and enterprise combined. All these governmental funds have been classified as major funds by the Commission after considering the criteria for major funds. Only individual governmental or individual enterprise funds can be considered for major fund status.

STATE OF NEW MEXICO COMMISSION ON THE STATUS OF WOMEN
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Types. The focus of Governmental Fund measurement (in the Fund Financial Statements) is based upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the Governmental Funds of the Commission.

The Commission reports the following major governmental funds.

General Fund (04300) - The General Fund is the general operating fund of the Commission and is used to account for all financial resources not accounted for and reported in another fund. The General Fund is funded primarily by an appropriation from the State General Fund, and any unused funds at the end of the fiscal year revert back to the State General Fund.

Special Revenue Funds - The Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. There are three special revenues funds:

Conference (08700) - New Mexico Commission on the Status of Women statutory requirements, Article 3, 28-3-2, states the Commission shall conduct periodic conferences throughout the state and secure recognition of women's accomplishments and contributions for New Mexico. These funds are received on behalf of the State from gifts, donations and bequests. Any unexpended or unencumbered balance remaining at the year end shall not revert to the State General Fund. It is a non-reverting fund per Laws of 2007, Chapter 28, Section 4, Subsection F.

Girls Program (27400) - This funding is generated by voluntary donations, ticket sales, admission fees and corporate advertisers/sponsors and is used to pay for transition conferences and the Governor's Award for Outstanding New Mexico Women awards program. Any unexpended or unencumbered balance remaining at the year end shall not revert to the State General Fund. It is a non-reverting fund per Laws of 2007, Chapter 28, Section 4, Subsection F.

TeamWorks (38300) - Special Revenue funding is appropriated by the State of New Mexico, Human Services Department (HSD). It is known as block grant that transfers from HSD to the Commission to develop, establish and operate job placement programs for participants as defined in the New Mexico Works Act. It is a non-reverting fund per the contract between HSD and the Commission and also is totally financed by federal monies.

Basis of Accounting

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

STATE OF NEW MEXICO COMMISSION ON THE STATUS OF WOMEN
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Government-wide Financial Statements are presented on an accrual basis of accounting. The Governmental Funds in the Fund Financial Statements are presented on a modified accrual basis.

Modified Accrual. All governmental funds 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 soon enough thereafter to be used to pay liabilities of the current period, which is considered within sixty days of 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.

Budgetary Accounting

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

1. No later than September 1, the Commission prepares a budget appropriation request by category to be presented to the next Legislature.
2. The appropriation request is submitted to the New Mexico Department of Finance and Administration's Budget Division (DFA) and to the Legislative Finance Committee (LFC).
3. DFA makes recommendations and adjustments to the appropriation request which then becomes the Governor's proposal to the Legislature.
4. The LFC holds hearings on the appropriation request, also submitting recommendations and adjustments before presentation to the Legislature.
5. Both the DFA's and LFC's recommended appropriation proposals are presented to the Legislature for approval of the final budget plan.
6. Budget hearings are scheduled before the New Mexico House Appropriations and Senate Finance Committees. The final outcome of these hearings is incorporated into the General Appropriations Act.
7. The Act is signed into law by the Governor of the State of New Mexico within the legally prescribed time limit.
8. The Commission submits, no later than May 1, to DFA an annual operating budget by category and line item based upon the appropriations made by the Legislature. The DFA – Budget Division reviews and approves the operating budget which becomes effective on July 1.
9. All subsequent budget adjustments must be approved by the Commission and the Director of the DFA - Budget Division. The budget for the current year was properly amended.

STATE OF NEW MEXICO COMMISSION ON THE STATUS OF WOMEN
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

10. Legal budget control for expenditures and encumbrances is by category of line item.
11. Formal budgetary integration is employed as a management control device during the fiscal year for the General Fund and the Special Revenue Funds.
12. The budget is adopted on a modified accrual basis of accounting that is consistent with accounting principles generally accepted in the United States of America. This change was implemented with the laws of 2004, Chapter 114, Section 3, paragraph N and paragraph O. It is effective for fiscal years beginning July 1, 2004. However, there is a statutory exception per the General Appropriation Act, Laws of 2006, Chapter 109, Section 3, Subsections N and O. The budget is adopted on the modified accrual basis of accounting except for accounts payable accrued at the end of the fiscal year that do not get paid by the statutory deadline per Section 6-10-4 NMSA 1978. Those accounts payable must be paid out of the next year's budget. There were none of these accounts payable at June 30, 2012. A reconciliation is not provided because there were no differences between the budgetary basis and the modified accrual basis.
13. Each year the Legislature approves multiple year appropriations, which the State considers as continuing appropriations. The Legislature authorizes these appropriations for two to five years; however, it does not identify the authorized amount by the fiscal year. Consequently, the appropriation is budgeted in its entirety the first year the Legislature authorizes it. The unexpended portion of the budget is carried forward as the next year's beginning budget balance until either the project period has expired or the appropriation has been fully expended. The budget presentations in these financial statements are consistent with this budgeting methodology.
14. Appropriations lapse at the end of the fiscal year except for those amounts recorded as vouchers payable and salaries payable. All of the Commission's funds except for the General Fund are non-reverting.

Compensated Absences Payable

Vacation and sick leave earned and not taken is cumulative; however, upon termination of employment, sick pay for such leave hours accumulated up to 600 hours is forfeited, and vacation pay is limited to payment for 240 hours. Vacation leave up to the maximum of 240 hours is payable upon separation from service at the employee's current hourly rate. Sick leave is payable semiannually to qualified employees for hours accumulated above 600 hours at a rate equal to 50 percent of their hourly rate, not to exceed 120 hours each semiannual period. Upon retirement, payment for sick leave is limited to 400 hours accumulated in excess of 600 hours at the 50 percent hourly rate. The compensated absences payable is included in the government-wide financial statements. Qualified classified employees, per the schedule approved by the Commission, accumulate annual leave to a maximum of 240 hours as follows:

**STATE OF NEW MEXICO COMMISSION ON THE STATUS OF WOMEN
NOTES TO FINANCIAL STATEMENTS
June 30, 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Years of Service	Hours Earned per Pay Period
Less than 3 years	3.08
Between 3 and 7 years	3.69
Between 7 and 11 years	4.61
Between 11 and 15 years	5.54
Over 15 years	6.15

Exempt employees who are appointed by the Governor accumulate annual leave per a schedule developed by the Department of Finance and Administration to a maximum of 240 hours as follows:

Years of Service	Hours Earned per Pay Period
Less than 3 years	4.62
Between 3 and 7 years	5.54
Between 7 and 14 years	6.46
Over 14 years	7.39

Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes where constraints placed on the resources are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Legislative and Executive branches of the State.

Assigned – Amounts that are constrained by the Legislature's and Executive Branch's intent to be used for specific purposes or, in some cases, by legislation.

Unassigned – All amounts not included in other spendable classifications.

As of June 30, 2012, only the Conference (08700) and the Girls Program (27400) had a fund balance. Fund balance in these funds has been classified as Restricted for those specific and related programs.

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.

STATE OF NEW MEXICO COMMISSION ON THE STATUS OF WOMEN
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues, Expenditures and Expenses

Substantially all governmental fund revenues are accrued. The due from other state agencies at June 30, 2012 consists of \$73,326 in federal grants reimbursements due to the TeamWorks Special Revenue Fund by the State of New Mexico, Human Services Department. At June 30, 2012, management estimated that \$20,048 was uncollectible, and this has been included as an allowance for doubtful accounts.

Expenditures are recognized when the related fund liability is incurred.

Net Assets

The government-wide financial statements utilize a net asset presentation. Net Assets are categorized as invested in fixed assets, restricted and unrestricted.

Invested in Capital Assets - is intended to reflect the portion of net assets which are associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost. The Commission did not have any related debt during the year ended June 30, 2012.

Restricted Net Assets – This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments, enabling legislation or constitutional provisions. At fiscal year ended June 30, 2012, all net assets were restricted.

Unrestricted Net Assets – This amount is all net assets that do not meet the definition of "invested in capital assets, net of related debt" or "restricted net assets."

NOTE 2 – COMMISSION OPERATIONS

Funding for the Commission for the 2012 fiscal year was vetoed during the 2011 State of New Mexico Legislative session. Without General Fund appropriation for the 2012 fiscal year, the Commission entered into a memorandum of understanding (MOU) with the New Mexico Human Services Department (HSD) to assist and support the Commission administratively. Pursuant to NMSA 9-8-8, the Commission became administratively attached to HSD. HSD assisted and supported the Commission in meeting statutory responsibilities and duties. As outlined in the MOU, all capital assets (as they were federally funded) were transferred to HSD. Additionally, any obligations or claims for the Commission but not known as of June 30, 2011 were deemed the responsibility of HSD. During the fiscal year ended June 30, 2012, the Commission was inactive and there were no employees or operating activities. Transactions reflected in the accounting records for the fiscal year ended June 30, 2012 were initiated by the Department of Finance and Administration.

The New Mexico Legislature approved a \$125,000 general fund appropriation for the 2013 fiscal year.

STATE OF NEW MEXICO COMMISSION ON THE STATUS OF WOMEN
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE 3 – STATE GENERAL FUND INVESTMENT POOL NOT RECONCILED

In June 2012, an independent expert diagnostic report revealed that the State General Fund Investment Pool balances have not been reconciled at the business unit/fund level since the inception of the Statewide Human resources, Accounting, and management REporting system (SHARE) system in July of 2006. The Diagnostic report is available in the Resources section of the Cash Control page of the New Mexico Department of Finance & Administration's website at: http://www.nmdfa.state.nm.us/Cash_Control.aspx. The document title is, "Current State Diagnostic of Cash Control".

The State General Fund Investment Pool is the State of New Mexico's main operating account. State revenues such as income taxes, sales taxes, rents and royalties, and other recurring revenues are credited to the General Fund Investment Pool. The fund also comprises numerous State agency accounts whose assets, by statute (Section 8-6-3 NMSA 1978), must be held at the State Treasury.

As of June 30, 2012, the State General Fund Investment Pool has not been reconciled at the business unit/fund level. Essentially, independent, third-party verification/confirmation of the Commission's balances at the business unit/fund level is not possible. However, the Commission 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 Commission.

Under the direction of the State Controller/Financial Control Division Director, the Financial Control Division of the New Mexico Department of Finance & Administration (DFA/FCD) is taking aggressive action to resolve this serious problem. DFA/FCD has commenced the Cash Management Remediation Project (Remediation Project) in partnership with the New Mexico State Treasurer's Office, the New Mexico Department of Information Technology and a contracted third party PeopleSoft Treasury expert.

The purpose of the Remediation Project is to design and implement the changes necessary to reconcile the General Fund Investment Pool in a manner that is complete, accurate, and timely. The Remediation Project will make changes to the State's current SHARE system configuration, cash accounting policies and procedures, business practices, and banking structure. DFA is responsible for performing book to bank reconciliations. The scheduled implementation date for the changes associated with the Remediation Project is February 1, 2013. An approach and plan to address the population of historical reconciling items will be developed during the Remediation Project, but a separate initiative will be undertaken to resolve the historical reconciling items.

The initial phase of the Remediation Project, completed on October 11, 2012, focused on developing a project plan and documenting current statewide business processes. The work product of the initial phase of the Remediation Project is a document entitled Cash Management Plan and Business Processes. This document is available on the Cash Control page of the New Mexico Department of Finance & Administration's website at: http://www.nmdfa.state.nm.us/Cash_Control.aspx.

STATE OF NEW MEXICO COMMISSION ON THE STATUS OF WOMEN
NOTES TO FINANCIAL STATEMENTS
 June 30, 2012

NOTE 4 – INVESTMENT ACCOUNTS, INVESTMENT POLICY AND CASH

State of New Mexico General Fund Investment Pool

The following is a summary of the investment accounts of the Commission with the New Mexico State Treasurer, which represent the Commission's interest in the State of New Mexico General Fund Investment Pool:

	SHARE Fund Number	Financial Statement Balances at June 30, 2012
General Fund	60100-0430	\$ 311,706
Conference Fund	60100-0870	65,166
Girls Program	60100-3830	6,955
TeamWorks Fund	60100-3830	<u>(71,573)</u>
Total		<u>\$ 312,254</u>

Interest Rate Risk

The Commission 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 pool, the reader should refer to the separate audit report for the State Treasurer's Office. The New Mexico State Treasurer's Office is not rated.

Pledged Collateral (Custodial Credit Risk)

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. In accordance with Section 6-10-7 NMSA 1978, deposits of public monies are to be collateralized in an aggregate equal to 50% of deposits in excess of Federal Deposit Insurance Corporation (FDIC) insurance coverage. Deposits are exposed to custodial risks if they are not covered by depository insurance.

Detail of pledged collateral specific to this agency is unavailable because the bank maintains pledged collateral for the state as a whole. However, the State Treasurer's Office collateral bureau monitors pledged collateral for all state funds held by state agencies in such "authorized" bank accounts.

The New Mexico State Treasurer's Office is responsible to ensure that all accounts are collateralized at the required level for amounts in excess of FDIC coverage. The New Mexico State Treasurer issues separate financial statements, which disclose the collateral pledged to secure these deposits, the categories of risk involved and the market value of purchased investments, which may differ from the cash deposited by the Commission. Additional disclosures are the types of deposits and investments authorized by the New Mexico Constitution.

**STATE OF NEW MEXICO COMMISSION ON THE STATUS OF WOMEN
NOTES TO FINANCIAL STATEMENTS
June 30, 2012**

NOTE 5 – COMPENSATED ABSENCES PAYABLE

A summary of changes in the compensated absences payable for the year ended June 30, 2012 is as follows:

	<u>Balance</u> <u>June 30, 2011</u>	<u>Increase</u>	<u>(Decrease)</u>	<u>Balance</u> <u>June 30, 2012</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Compensated absences	\$ 1,535	\$ -	\$ (1,535)	\$ -	\$ -

In prior years, the General Fund has been used to liquidate its compensated absences for its employees. The General Fund is expected to continue to do so in the future.

NOTE 6 – PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

Plan Description

Substantially all of the Commission'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, New Mexico 87504-2123. The report is also available on PERA's website at www.pera.state.nm.us.

Funding Policy

Plan members are required to contribute 7.42% of their gross salary. The Commission is required to contribute 16.59% of the gross covered salary. The contribution requirements of plan members and the Commission are established in State statute under Chapter 10, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The Commission's contributions to PERA for the fiscal years ending June 30, 2012, 2011 and 2010 were \$0, \$61,137 and \$88,768, respectively, which equal the amount of the required contribution for each fiscal year.

STATE OF NEW MEXICO COMMISSION ON THE STATUS OF WOMEN
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE 7 – POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN

Plan Description

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

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

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle 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 Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2012, the statute required each participating employer to contribute 1.834% of each participating employee's annual salary; each participating employee was required to contribute .917% of their salary. In the fiscal year ending June 30, 2013, the contribution rates for employees and employers will rise as follows:

**STATE OF NEW MEXICO COMMISSION ON THE STATUS OF WOMEN
NOTES TO FINANCIAL STATEMENTS
June 30, 2012**

**NOTE 7 – POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN
(CONTINUED)**

For employees who are not members of an enhanced retirement plan, the contribution rates will be:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY13	2.000%	1.000%

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

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

The Commission's contributions to the RHCA for the years ended June 30, 2012, 2011 and 2010 were \$0, \$6,466 and \$7,047, respectively, which equal the required contributions for each year.

NOTE 8 – INSURANCE COVERAGE

The Commission obtains coverage through the Risk Management Division of the State of New Mexico General Services Department. This coverage includes liability and civil rights, property, vehicle, employer bond, workers' compensation, group insurance and state unemployment. These coverages are designed to satisfy the requirements of the State Tort Claims Act. All employees of the Commission are covered by blanket fidelity bond and money securities coverage by the State of New Mexico for the period July 1, 2011 through June 30, 2012.

NOTE 9 – RISK MANAGEMENT

The Commission is exposed to various risks of loss for which the Commission carries insurance with the State of New Mexico Risk Management Division.

**STATE OF NEW MEXICO COMMISSION ON THE STATUS OF WOMEN
NOTES TO FINANCIAL STATEMENTS
June 30, 2012**

NOTE 10 – DUE FROM OTHER STATE AGENCIES

The following is due from other state agencies as of June 30, 2012:

SHARE Fund	Title	38300 TeamWorks Special Revenue Fund	Total
(1) 63000	Human Services Department	<u>\$ 53,278</u>	<u>\$ 53,278</u>

(1) For reimbursement of TANF grant

NOTE 11 – DUE FROM/TO OTHER FUNDS

The Teamworks fund (38300) was owed \$1,560 from the General Fund (04300) as of June 30, 2012. The purpose of the interfund balance is for the General Fund to pay administrative costs not permitted to be paid out of the Teamworks fund.

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

PART III - OTHER INFORMATION

The following information should be provided for each of the above:

(a) Name of the organization	(b) EIN	(c) Amount of contribution	(d) Date of contribution

SUPPLEMENTAL INFORMATION

The Tax-exempt Fund (TEF) was established in 1980 for the purpose of providing financial assistance to the General Fund to pay obligations as they become due. The TEF is a separate legal entity and is not a part of the State's general fund.



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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***

To the Members of
State of New Mexico
Commission on the Status of Women
Mr. Héctor H. Balderas
New Mexico State Auditor

We have audited the financial statements of the governmental activities, each major fund, and the respective budgetary comparisons for the general fund and other special revenue funds of the State of New Mexico Commission on the Status of Women (the Commission) as of and for the year ended June 30, 2012 and have issued our report thereon dated June 3, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness.

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 Commission's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2012-01 and 2011-01 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain other matters that are required to be reported pursuant to *Government Auditing Standards* paragraphs 5.14 and 5.16, and pursuant to Section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and questioned costs as findings 2012-02 and 2011-02.

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

This report is intended solely for the information and use of the Governing Board of the Commission, management, the State of New Mexico Department of Finance and Administration the State Auditor, the New Mexico Legislature, New Mexico Human Services Department and applicable federal grantors, and is not intended to be and should not be used by anyone other than these specified parties.

CliftonLarsonAllen LLP

Albuquerque, New Mexico
June 3, 2013

STATE OF NEW MEXICO COMMISSION ON THE STATUS OF WOMEN
SCHEDULE OF AUDIT FINDINGS AND RESPONSES
June 30, 2012

Section I – Financial Statement Findings

Finding 2012-01 Account Reconciliations (Material Weakness)

Condition: Transactions that occurred during 2012 were those that were initiated by the Department of Finance and Administration, requiring no agency-level approval. Two such transactions were as follows:

- An operating transfer of \$42,043 from HSD to the Commission, to partially liquidate a receivable balance that existed on the Commission's books at June 30, 2011. This receipt was not applied to the receivable balance, but rather recognized as current year revenue on an unadjusted basis.
- A general fund appropriation of \$125,000 received during the year under audit, but pertaining to fiscal year 2013 funding. This amount was not appropriately reclassified to deferred revenue, resulting in an overstatement of current year revenue.

There was no accounting reconciliation process in place over the Commission's account balances.

Criteria: The New Mexico Manual of Model Accounting Practices (Volume 1, Chapter 8, Section 3.2) requires monthly reconciliations of all accounts. Adequate and accurate information cannot be presented in a timely manner when accounts are not reconciled.

Cause: The unusual circumstances of the lack of funding for an operating budget for FY 2012 caused the operations of the Commission to cease and personnel to seek alternative employment. The Commission was effectively dissolved during FY 2012, and there were minimal transactions over which internal controls were able to operate. With no operating personnel in place, reconciliations on account balances were not performed.

Effect: Initially, the lack of reconciliation over revenue accounts resulted in an overstatement of revenue in the amount of \$167,043.

Recommendation: We understand that unusual circumstances contributed to the lack of reconciliations during 2012. There is no recommendation to address this matter.

Management's Response: Management agrees. The Commission on the Status of Women has no employees and the Human Services Department, Administrative Services Division staff is tasked with meeting the Department's objectives of timely processing of financial transactions, timely and thorough reconciliation and resolution of audit findings for a multi-billion dollar agency.

STATE OF NEW MEXICO COMMISSION ON THE STATUS OF WOMEN
SCHEDULE OF AUDIT FINDINGS AND RESPONSES
June 30, 2012

Section I – Financial Statement Findings (continued)

Finding 2012-02 Late Submission of Audit Report (Compliance)

Condition: Per NMAC 2.2.2.9, the annual financial statement accompanied by the independent auditors' report was required to be delivered to the Office of the New Mexico State Auditor by December 16, 2012. The financial statement audit report was not delivered to the State Auditor until June 12, 2013, as the Commission was inactive during fiscal year 2012 due to the cessation of funding by the New Mexico Legislature.

Criteria: NMAC 2.2.2.9 requires that all state agencies submit financial statement audit reports to the State Auditor no later than 60 days after the Financial Control Division of the Department of Finance and Administration provides the State Auditor with notice that the agencies' books and records are available for audit. For fiscal year 2012's reports, this date was December 16, 2012.

Cause: The Commission had effectively been dissolved through an appropriation veto of state funding for fiscal year 2012.

Effect: The audit report and associated financial statements were not turned in to the State Auditor within the required timeframe.

Recommendation: We recommend that, if state appropriation for the Commission is vetoed again in the future, the Commission consults with the State Auditor to determine whether a financial statement audit is necessary for the year in which funding ceases.

Management's Response: Management agrees. The Commission on the Status of Women has no employees and the Human Services Department, Administrative Services Division staff is tasked with meeting the Department's objectives of timely processing of financial transactions, timely and thorough reconciliation and resolution of audit findings for a multi-billion dollar agency.

Finding 2011-01 Control Environment (Material Weakness) - Repeated

Condition: Funding for the Commission was vetoed during the 2011 Legislative Session, resulting in the dissolution of the Commission for fiscal year 2012. The Commission entered into a Memorandum of Understanding (MOU) with the Human Services Department (HSD) to close the prior fiscal year 2011 and to assist with administrative and accounting responsibilities. During 2012, there was little activity in the Commission due to the lack of funding, and there were no employees in place at any time during the year. Therefore, the adequacy of the internal controls in place over key processes, including cash receipts and disbursements, cannot be evaluated. Transactions that occurred during 2012 were those that were initiated by the Department of Finance and Administration, requiring no agency-level approval.

Criteria: Per State Audit Rule Section 2.2.2.10(Q), all audits are required to perform a consideration of internal control and risk assessment in a financial statement audit.

STATE OF NEW MEXICO COMMISSION ON THE STATUS OF WOMEN
SCHEDULE OF AUDIT FINDINGS AND RESPONSES
June 30, 2012

Section I – Financial Statement Findings (continued)

Finding 2011-01 Control Environment (Material Weakness) – Repeated (continued)

Cause: The unusual circumstances of the lack of funding for an operating budget for SFY 2012 caused the operations of the Commission to cease and personnel to seek alternative employment. As the Commission was effectively dissolved during FY12, there were minimal transactions over which internal controls were able to operate.

Effect: Our assessment does not state that the Commission did not have internal controls, but because of the unusual circumstances of being dissolved due to lack of funding, there were no transactions over which to evaluate internal controls. Substantive tests of details over financial statement balances were performed.

Recommendation: We understand that unusual circumstances contributed to the lack of transactions during 2012. There is no recommendation to address this matter.

Management's Response: Management agrees. The Commission on the Status of Women has no employees and the Human Services Department, Administrative Services Division staff is tasked with meeting the Department's objectives of timely processing of financial transactions, timely and thorough reconciliation and resolution of audit findings for a multi-billion dollar agency.

2011-02 Untimely Reversion (Control Deficiency) - Repeated

Condition: The Commission's general fund reversion of \$170,772 from fiscal year 2011 was not paid to the State General Fund by the required date of September 30, 2011. As of the report date for the 2012 audit, this transfer has yet to be made.

Criteria: Section 6-5-10, NMSA 1978 requires all unreserved, undesignated fund balances in reverting funds and accounts as of June 30 to revert to the State General Fund by September 30.

Cause: The lack of funding for an operating budget for SFY 2012 caused the operations of the Commission to cease, leaving no employees in place to make payments against the liabilities of the Commission. HSD has not implemented procedures nor assigned account reconciliations to staff for monitoring.

Effect: Non-compliance with Section 6-5-10, NMSA 1978.

Recommendation: We recommend that the prior year's reversion of \$170,772 be paid as soon as possible.

Management's Response: Management agrees. The reversion will be processed in July 2013.

**STATE OF NEW MEXICO COMMISSION ON THE STATUS OF WOMEN
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
June 30, 2012**

Section I—Financial Statement Findings

Finding 2011-01 Control Environment (Material Weakness) – Repeated

Finding 2011-02 Untimely Reversion (Control Deficiency) – Repeated

Section II – Federal Award Findings and Questioned Costs

Finding 2011-01 Control Environment (Material Weakness) – Repeated as Financial Statement Finding

Finding 2011-03 Unallowable Federal Costs (Significant Deficiency) – Resolved

**STATE OF NEW MEXICO COMMISSION ON THE STATUS OF WOMEN
EXIT CONFERENCE
June 30, 2012**

An exit conference was held with the Commission on May 28, 2013. The conference was held at the Human Services Department in Santa Fe, New Mexico. In attendance were:

STATE OF NEW MEXICO COMMISSION ON THE STATUS OF WOMEN

Agnes Maldonado, Commission Chair
Donna Sandoval, Chief Financial Officer

CLIFTONLARSONALLEN LLP

Raul Anaya, CPA, CGFM, CFE, Assurance Senior Manager

The financial statements presented in this report have been prepared by the independent auditor. However, they are the responsibility of management, as addressed in the Independent Auditor's Report. Management reviewed and approved the financial statements.

