

**STATE OF NEW MEXICO
DEPARTMENT OF HEALTH**

**FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT AUDITORS**

JUNE 30, 2015

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Department Officials

<u>Title</u>	<u>June 30, 2015</u>	<u>November 30, 2015</u>
Cabinet Secretary	Retta Ward	Retta Ward
Deputy Secretary - Facilities	Brad McGrath (CFO)	Gabrielle Sanchez-Sandoval
Deputy Secretary - Programs	Lynn Gallagher	Lynn Gallagher (CFO)
Chief Financial Officer	Leonard Tapia (CFO)	Leonard Tapia (CFO)
General Counsel	Gabrielle Sanchez-Sandoval	Gabrielle Sanchez-Sandoval
Chief Information Officer	Terry Reusser	Terry Reusser
Chief Medical Officer	Stephen Dorman, M.D.	Stephen Dorman, M.D.
State Epidemiologist	Michael Landen, M.D.	Michael Landen, M.D.

Division Directors

<u>Program</u>	<u>June 30, 2015</u>	<u>November 30, 2015</u>
Administrative Services	Leonard Tapia (CFO)	Leonard Tapia (CFO)
Public Health	Mark Williams	Mark Williams
Epidemiology & Response	Michael Landen, M.D.	Michael Landen, M.D.
Scientific Laboratory	David Mills, Ph.D.	Lixia Liu
Office of Facilities Management	Jeremy Averella	Jeremy Averella
Developmentally Disabilities	Cathy Stevenson	Cathy Stevenson
Supports		
Health Facility Licensing & Certification	Jack Evans	Jack Evans



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INDEPENDENT AUDITORS' REPORT

Retta Ward, Cabinet Secretary
New Mexico Department of Health and
Mr. Tim Keller
New Mexico State Auditor

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue fund of the New Mexico Department of Health, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the New Mexico Department of Health's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the New Mexico Department of Health's nonmajor governmental, fiduciary funds and the budgetary comparisons for 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, 2015, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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 auditors' 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.

Retta Ward, Cabinet Secretary
New Mexico Department of Health and
Mr. Tim Keller
New Mexico State Auditor

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 New Mexico Department of Health as of June 30, 2015, and the respective changes in financial position and the respective budgetary comparisons for the general fund and major special revenue 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 New Mexico Department of Health as of June 30, 2015, and the respective changes in financial position and the respective budgetary comparisons for all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements of the New Mexico Department of Health 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 New Mexico Department of Health. They do not purport to, and do not present fairly the financial position of the entire State of New Mexico as of June 30, 2015, and the changes in the financial position for the year then ended, inconformity 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 6-15 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 New Mexico Department of Health's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The Schedule of Expenditures of Federal Awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the other schedules required by Section 2.2.2 NMAC as listed in the table of

Retta Ward, Cabinet Secretary
New Mexico Department of Health and
Mr. Tim Keller
New Mexico State Auditor

contents as Supplementary Schedule of Individual Deposits (Schedule 1), Supplementary Schedule of Pledged Collateral (Schedule 2), Supplementary Schedule of Joint Powers Agreements (Schedule 3), Supplementary Schedule of Memorandum of Agreements (Schedule 4), Supplementary Schedule of Due To and Due From Other State Agencies (Schedule 5), Supplementary Schedule of Intergovernmental Receivables and Payables (Schedule 6), Supplementary Schedule of Agencies' Transfers In and Transfers Out (Schedule 7), Supplementary Schedule of Special Appropriations (Schedule 8), Supplementary Schedule of Procurement over \$60,000, As of June 30, 2015 - Unaudited (Schedule 9), Supplementary Schedule of Changes in Assets and Liabilities – Agency Funds (Schedule 10) 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 other schedules required by Section 2.2.2 NMAC as listed in the table of contents as Supplementary Schedule of Individual Deposits (Schedule 1), Supplementary Schedule of Pledged Collateral (Schedule 2), Supplementary Schedule of Joint Powers Agreements (Schedule 3), Supplementary Schedule of Memorandum of Agreements (Schedule 4), Supplementary Schedule of Due To and Due From Other State Agencies (Schedule 5), Supplementary Schedule of Intergovernmental Receivables and Payables (Schedule 6), Supplementary Schedule of Agencies' Transfers In and Transfers Out (Schedule 7), Supplementary Schedule of Special Appropriations (Schedule 8), Supplementary Schedule of Changes in Assets and Liabilities – Agency Funds (Schedule 10) 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 of Federal Awards and the other schedules required by Section 2.2.2 NMAC as listed in the table of contents as Supplementary Schedule of Individual Deposits (Schedule 1), Supplementary Schedule of Pledged Collateral (Schedule 2), Supplementary Schedule of Joint Powers Agreements (Schedule 3), Supplementary Schedule of Memorandum of Agreements (Schedule 4), Supplementary Schedule of Due To and Due From Other State Agencies (Schedule 5), Supplementary Schedule of Intergovernmental Receivables and Payables (Schedule 6), Supplementary Schedule of Agencies' Transfers In and Transfers Out (Schedule 7), Supplementary Schedule of Special Appropriations (Schedule 8), Supplementary Schedule of Changes in Assets and Liabilities – Agency Funds (Schedule 10) are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Supplementary Schedule of Procurement over \$60,000, As of June 30, 2015 - Unaudited (Schedule 9) has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Retta Ward, Cabinet Secretary
New Mexico Department of Health and
Mr. Tim Keller
New Mexico State Auditor

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2015, on our consideration of the New Mexico Department of Health'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 result of that testing, and not to provide an opinion on 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 New Mexico Department of Health's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Albuquerque, New Mexico
November 25, 2015

**STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2015**

Introduction

The following Management's Discussion and Analysis (MD&A) for the State of New Mexico's Department of Health (the Department) introduces the basic financial statements and provides an analytical overview of the Department's financial condition and results of operations as of and for the 12-month fiscal year ended June 30, 2015 (FY15). Additionally, the MD&A provides a discussion of significant changes in account category balances presented in the entity-wide Statement of Net Position and Statement of Activities. This summary should not be taken as a replacement for the basic financial statements.

The MD&A is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments; GASB Statement No. 37, Basic Financial Statements and Management's Discussion & Analysis for State and Local Governments: Omnibus, an amendment to GASB Statements No. 21 and No. 34; and GASB Statement No. 38, Certain Financial Statement Note Disclosures. The requirements for the Basic Financial Statements were modified by GASB Statement No. 65, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources & Net Position which revised the reporting statements from Statement of Net Assets to a Statement of Net Position.

Overview of the Basic Financial Statements

Although the Department is one of numerous departments and agencies comprising the government of the State of New Mexico, the focus of this financial report is only on the Department and not the State of New Mexico taken as a whole. The financial statements include the following four elements: (1) Management's Discussion and Analysis, (2) the Basic Financial Statements including the Notes, (3) Required Supplementary Information and (4) Other Supplementary Information. The basic financial statements include two kinds of statements that present different views of the Department:

The government-wide financial statements are entity-wide financial statements that report information about the Department's overall financial condition and results of operations, both long-term and short-term, using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the Department's assets, liabilities, and the net position. All revenue and expenses are accounted for in the Statement of Activities regardless of when cash is received or disbursed because the State of New Mexico operates under the modified accrual basis of accounting.

**STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Fiscal Year Ended June 30, 2015**

The fund financial statements consist of:

- The governmental fund statements, including the Balance Sheet and the Statement of Revenue, Expenditures, and Changes in Fund Balances, which focus on individual parts of the Department, reporting the Department's financial condition and results of operations in more detail than in the entity-wide statements, and tell how general government services were financed in the short term as well as what remains for future spending. Emphasis is on the general and major funds. Other governmental funds are summarized in a single column.
- The Statement of Revenue and Expenditures - Budget and Actual Modified Accrual (GAAP Budgetary Basis) reports the original approved budget, final approved budget, and actual results presented on the modified accrual budgetary basis of reporting for the Department's General fund, ARRA fund and all non-major funds. A separate column is presented to report any variances between the final budget and actual amounts.
- The Statement of Fiduciary Net Assets provides information about the financial relationships in which the Department acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

Additional details about the basic financial statements are found in the Notes to the Financial Statements, Required Supplementary Information, and the Other Supplementary Information sections.

**STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Fiscal Year Ended June 30, 2015**

Financial Analysis of the Department as a Whole

The following condensed financial information was derived from the entity-wide financial statements and compares the current year to the prior year:

**Table 1
The Department's Net Position
(Expressed in Thousands)**

	Governmental Activities		Amount Change	Percent Change
	FY 2015	FY 2014		
Assets:				
Cash, restricted and non-restricted	\$ 14,611	\$ 27,787	\$ (13,176)	-47%
Other current assets	46,664	36,964	9,700	26%
Non-current assets	59,390	63,173	(3,783)	-6%
Total Assets	\$ 120,665	\$ 127,924	\$ (7,259)	-6%
Liabilities:				
Current Liabilities	\$ 57,138	\$ 64,067	\$ (6,929)	-11%
Long-term Liabilities	56,031	54,536	1,495	3%
Total Liabilities	113,169	118,603	(5,434)	-5%
Deferred Inflows of Resources:				
Accumulated Increase of WIC Rebate for July 2014	-	973	(973)	-100%
Total Deferred Inflows of Resources	-	973	(973)	-100%
Net Position:				
Investment in Capital Assets	5,060	7,628	(2,568)	-34%
Restricted	7,503	4,338	3,165	73%
Unrestricted (deficit)	(5,067)	(3,618)	(1,449)	40%
Total Net Position	\$ 7,496	\$ 8,348	\$ (852)	-10%

**STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Fiscal Year Ended June 30, 2015**

Significant factors impacting the Department's financial position and results of operations during the year ended June 30, 2015 are as follows:

Assets

Total assets decreased by approximately \$7.2 million, or 6%. This decrease resulted from several factors:

- A decrease in Current assets of approximately \$3.5 million, due primarily to:
 - A decreased balance in Investments in the State General Fund Investment Pool and cash accounts of approximately \$13 million was due to a decrease of approximately \$9 million of charges for service, and a decrease of \$2.5 million due from other state agencies. More information on significant revenue variations can be found in the FY15 Operating Budget section.
 - Other current assets increased by \$9.7 million or 26% of which is comprised mostly of an increase of \$8.6 million due from the federal government and other Accounts Receivables. The increase of approximately \$2.8 million in Net Accounts Receivable, resulted from delayed collections.
 - A decrease in Non-current assets of approximately \$3.7 million occurred primarily from an increase in accumulated depreciation of \$2.7 million dollars and the transfer of a remodeling project of the Harold Runnels building during Fiscal Year (FY) 2014, adding five break-rooms for its staff. The remodeling was completed in July 2014. Therefore, the completed project was transferred to the General Services Department because it owns the building. It is no longer recorded as Construction in Process for the Department.

Liabilities and Net Position

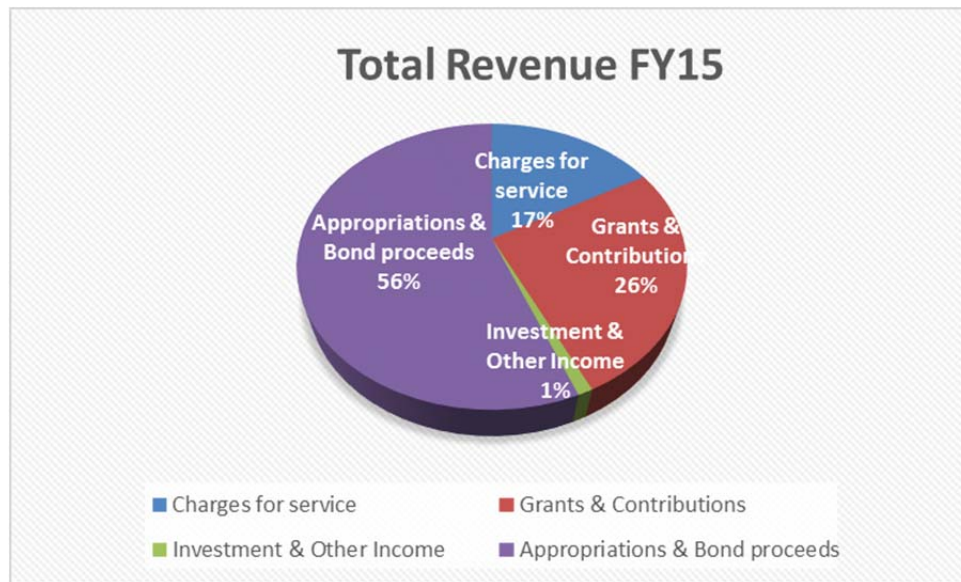
Total liabilities decreased by approximately \$5.4 million, or 5%:

- Current Liabilities decreased by approximately \$7 million or 11%. This net decrease was primarily due to :
 - A decrease of \$3.4 million in the payables account was primarily due to a decrease in governmental expenditures.
 - A decrease of \$4 million in the amount due to local governments and beneficiaries.

**STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Fiscal Year Ended June 30, 2015**

- A decrease of accrued payroll and other liabilities of \$1.2 million which was offset by an increase of \$1.4 million due to other State Agencies.
- Long-term Liabilities increased by approximately \$1.5 million or 3%. This net increase was primarily due to an increase of compensated absences of \$2.8 million which was offset by a decrease in the capital lease payable of \$1.3 million.
- The Department had no deferred inflows of resources compared to FY14 which recorded approximately \$973 thousand related to a WIC rebate.
- Total Net Position decreased by approximately \$852 thousand or approximately a 10% change. This was caused by a reduction of revenue over expenditures.

The chart below illustrates the types of revenue received in FY15 by the Department:



**STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Fiscal Year Ended June 30, 2015**

Changes in Net Activities

The table below summarizes the change in the Department's net activities between the fiscal years ending June 30, 2015 and 2014.

**Table 2
Changes in the Department's Net Activities
(Expressed in Thousands)**

	Governmental Activities		Amount Change	Percent Change
	FY 2015	FY 2014		
Revenue:				
Program Revenue				
Charges for Services	\$ 96,506	\$ 105,935	\$ (9,429)	-9%
Operating Grants & Contributions	149,771	139,673	10,098	7%
Total Program Revenue	246,277	245,608	669	0%
General Revenue				
Transfers, net	(107,759)	(91,750)	(16,009)	17%
Bond proceeds/appropriations	321,571	312,335	9,236	3%
Investment income	4,428	5,486	(1,058)	-19%
Gain on capital asset disposal	21	-	21	100%
Reversion	(2,588)	(2,200)	(388)	18%
Total General Revenue	215,673	223,871	(8,198)	-4%
Total Revenue	461,950	469,479	(7,529)	-2%
Expenses:				
Total Governmental	462,802	470,228	(7,426)	-2%
Changes in net position	(852)	(749)	(103)	14%
Beginning net position	8,348	9,097	(749)	-8%
Ending net position	\$ 7,496	\$ 8,348	\$ (852)	-10%

As indicated in Table 2, the Department's ending net position decreased approximately \$852 thousand over FY 2014 or approximately 10%. The Department experienced a decrease in total revenue of approximately \$7.5 million, or 2%. Program revenue declined by approximately \$669 thousand or less than 1% compared to 2014, due primarily to a decrease in revenue in charges for service in the Public Health Division of \$13 million. This was offset by an increase in charges of \$4.8 million in the Facilities.

**STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Fiscal Year Ended June 30, 2015**

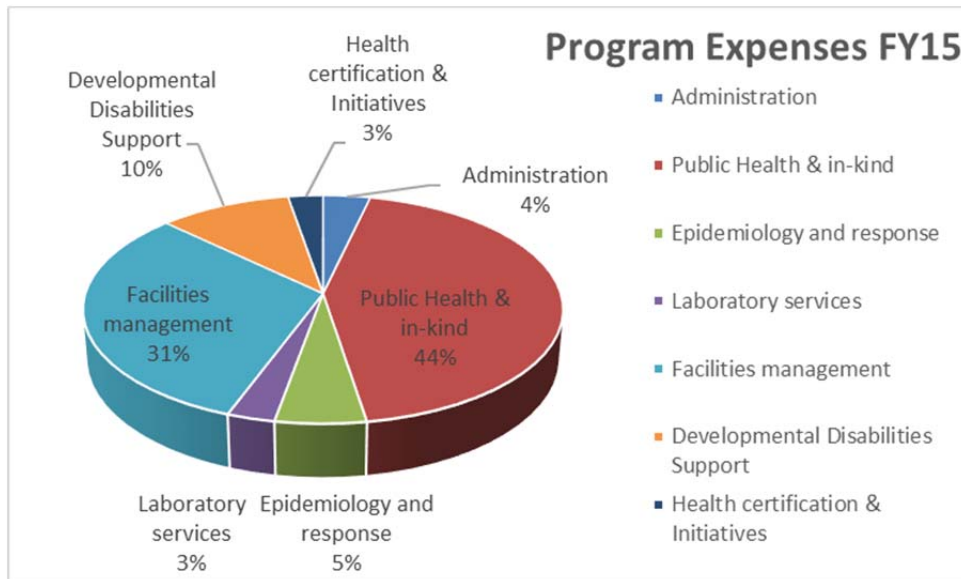
Operating grants increased by approximately \$10 million from FY14. The increases were primarily in the Public Health Division and in indirect revenue.

General revenues not including reversions increased approximately \$7.8 million or 3%. Net transfers increased by approximately \$16 million or 17%, due primarily to an increase in transfers out, and was offset by a \$9 million increase in General Fund and other appropriations to the Department. The General Fund appropriation increase resulted primarily from an increase of \$4 million in supplemental funding for the Facilities Management Program to reduce the projected shortfall in personal services. Investment earnings saw a decrease of \$1 million from FY 2014.

Total expenses decreased by approximately \$7.4 million, or 2%, due primarily to a decrease in spending in the Public Health Division, the Developmental disabilities support services and health certification and licensing.

The reduction of revenue over expenditures in FY15 resulted in a decrease in net position of \$852 thousand. Combined with beginning net position of \$8.3 million, the Department concluded the fiscal year with an ending net position totaling approximately \$7.5 million.

The chart below shows expenses by program in FY15 for the Department:



**STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Fiscal Year Ended June 30, 2015**

FY15 Operating Budget

The Department's initial operating budget for Fiscal Year 2015 totaled \$555.0 million, including \$307.9 million in General Fund, in accordance with Laws 2015, Chapter 63, the General Appropriation Act.

Budget adjustment increases totaling approximately \$11.1 million during the fiscal year from various funding sources, as well as various category transfers, were processed during the fiscal year which resulted in a final operating budget amount for the Department of \$566.2 million.

Significant adjustments to the FY15 appropriated operating budget included:

- A transfer of \$4,768,167 from the personal services and employee benefits category to the contractual services and other categories enabled the Facilities Management Program to execute contracts needed for patient care, including medical service contracts for physicians, nurses, psychologists, psychiatrists, and other medical care staff;
- An increase of \$4,000,000 in General Fund supplemental funding for the Facilities Management Program assisted in reducing the shortfall in the personal services and employee category, which allowed the various facilities to hire state funded clinical staff, which in turn allowed the facilities to reduce clinical contract expenses;
- A transfer of \$2,300,000 from the contractual services and other category to the personal services and employee benefits enabled the Public Health Division (PHD) to cover a shortfall in personal services and employee benefits and ensured that PHD was able to meet programmatic needs without any interruption in program services;
- An increase of \$1,800,900 in Other Revenues for Facilities Management Program assisted in reducing the shortfall in the personal services and employee category, which allowed the various facilities to hire state funded clinical staff, which in turn allowed the facilities to reduce clinical contract expenses;
- An increase of \$1,600,000 in Other Revenues for the Public Health Program as a result of new case management and clinic services contracts that the Children's Medical Services (CMS) program had with Centennial Care providers;
- An increase of \$1,200,000 in Federal Funds was utilized to cover the Administrative Services Program personal services and employee benefits and information technology enterprise costs;

**STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Fiscal Year Ended June 30, 2015**

- An increase of \$759,597 in Federal Funds for the Administrative Services Office of Policy and Accountability provided financial assistance in the refining process of the current State Innovation Model and also assisted with improving the payment methods currently being used in the state. The increase also helped with improving the delivery of medical services to qualifying patients in the state of New Mexico; addressed emerging health issues and gaps; to decrease premature death and disabilities by focusing on the leading preventable risk factors. In addition, worked to achieve health equity and to eliminate health disparities by addressing the social determinants of health, supported local programs to achieve healthy communities and established data and surveillance systems which monitored health statuses of targeted populations;
- An increase of \$400,000 in Other Revenues for the Developmental Disabilities Support Division as a result of additional funding received from Private Insurer payments to the Family, Infant, Toddler (FIT) Program;
- A transfer of \$360,000 from the other category to contractual services category which allowed the Public Health Sexually Transmitted Disease Program to properly align the budget from a provider agreement to a professional service contract.

Capital Assets and Debt Administration

Total capital assets, net of depreciation, for the Department total \$59 million which make up 49% percent of the Department's total assets. The Department has no infrastructure assets, but does have a capital lease for the Fort Bayard Medical Center.

Total compensated absences at June 30, 2015 was approximately \$7.5 million. The estimated amount to be paid within one year is \$4.5 million, while \$3 million could be paid after one year. There was no significant activity to report for compensated absences during the year ended June 30, 2015.

Department of Finance and Administration's Cash Remediation Project

The New Mexico Department of Finance and Administration initiated a project designed to verify cash balances reported by state agencies at the business unit and fund levels. Details regarding the Cash Management Remediation Project can be found at <http://www.nmdfa.state.nm.us/historical-cash-reconciliation-project.aspx>. Other information regarding this project can be found in Note 2.

**STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
Fiscal Year Ended June 30, 2015**

Currently Known Facts, Decisions, and Conditions

The national and state financial situation for the upcoming fiscal years is more cautiously optimistic than in any of the fiscal years since the recession of 2008. Although some recent economic indicators have improved, others continue to send mixed messages without a clear picture of sustained economic growth. In addition, the growing federal debt, and associated federal budget deficits, along with automatically scheduled federal budget reductions under sequestration provisions or other potential federal appropriation decreases, lead prudent analysts to plan for and possibly anticipate potentially significant reductions in federal funds for the Department in future federal fiscal years.

In November, 2015 the Department officially became a nationally accredited State Health Department. The Public Health Accreditation Board (PHAB) recognized our commitment to provide excellent services to New Mexicans. The achievement of national accreditation will help guide our Department's work to better protect, promote and preserve the health and wellbeing of the people in our state. The Department's compliance with the PHAB accreditation standards requirements will ensure that the New Mexico Department of Health is in compliance with the national standards for meeting the health needs of the people of New Mexico.

Contacting the Agency's Financial Management

This financial report is designed to provide New Mexico residents, taxpayers, customers, legislators and vendors with a general overview of the Department's finances, and to demonstrate the Department's accountability for the funding it receives. If you have any questions about this report or need additional information, contact:

Leonard Tapia, CFO
Director, Administrative Services Division
New Mexico Department of Health
Harold Runnels Building,
1190 St. Francis Drive, Suite N3350
P.O. Box 26110
Santa Fe, NM 87502

BASIC FINANCIAL STATEMENTS

**STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
STATEMENT OF NET POSITION
As of June 30, 2015**

	Governmental Activities
ASSETS:	
Investment in State General Fund Investment Pool	\$ 13,750,102
Cash	861,524
Accounts receivable, net	15,484,372
Due from federal government	17,907,393
Due from other state agencies	10,432,050
Due from other local government	138,423
Intergovernmental Receivables	35,742
Inventory	2,437,727
Prepaid expenses and others	227,330
Capital assets:	
Land	59,700
Other, net of depreciation	59,330,903
Total capital assets	59,390,603
 Total assets	 \$ 120,665,266
LIABILITIES:	
Accounts payable	\$ 25,727,057
Accrued payroll	2,589,926
Cash Overdraft	9,842
Due to state general fund	2,587,668
Due to agency funds	10
Due to other state agencies	17,953,403
Due to the federal government	22,297
Intergovernmental Payables	81,785
Other liabilities	2,330,542
Compensated absences due within one year	4,549,777
Capital lease payable due within one year	1,285,000
Long-term liabilities:	
Compensated absences due in more than one year	2,986,651
Capital lease payable due in more than one year	53,045,000
Total liabilities	113,168,958
NET POSITION:	
Net investment in capital assets	5,060,603
Restricted for:	
Public health	5,804,077
Epidemiology and response	731,141
Laboratory services	35,791
Developmental Disabilities Support Services	3,401,124
Unrestricted (deficit)	(7,536,428)
 Total Net Position	 \$ 7,496,308

See Notes to Financial Statements

STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
STATEMENT OF ACTIVITIES
Year Ended June 30, 2015

Functions/Programs	Expenses	Charges for Service	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
GOVERNMENTAL ACTIVITIES:				
Administration	\$ 16,731,101	\$ 89,200	\$ 7,888,115	\$ (8,753,786)
Public health	168,891,119	17,550,518	77,926,189	(73,414,412)
Public health in -kind	34,002,223	-	34,002,223	-
Epidemiology and response	24,848,122	1,500,313	11,026,143	(12,321,666)
Laboratory services	13,133,545	2,385,248	2,220,467	(8,527,830)
Facilities management	145,641,168	70,842,407	-	(74,798,761)
Developmental disabilities supports services	47,129,469	1,266,783	10,796,610	(35,066,076)
Health certification, licensing and oversight	11,666,404	1,990,753	5,911,044	(3,764,607)
Other health initiatives	758,772	880,382	-	121,610
TOTAL GOVERNMENTAL ACTIVITIES	\$ 462,801,923	\$ 96,505,604	\$ 149,770,791	\$ (216,525,528)
GENERAL REVENUES AND TRANSFERS:				
General revenues:				
State General Fund appropriations				311,980,700
Severance Tax/GOB appropriations				63,433
Tobacco settlement funds				6,851,600
County-supported medicaid				2,675,392
Investment Earnings				4,427,898
Gain on capital assets disposals				21,066
Reversion - FY2015 - Transfer out				(2,587,622)
Transfers, Capital Assets, net				(838,376)
Reconciling Item				1
Inter-agency transfers-In				1,593,040
Inter-agency transfers-Out				(108,513,872)
TOTAL GENERAL REVENUES AND TRANSFERS				215,673,260
CHANGE IN NET POSITION				(852,268)
NET POSITION, BEGINNING				8,348,576
NET POSITION, ENDING				\$ 7,496,308

See Notes to Financial Statements

STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
BALANCE SHEET - GOVERNMENTAL FUNDS
As of June 30, 2015

	Major Funds		Other Non-major Funds	Total Governmental Funds
	General Fund 06100	ARRA Fund 89000		
ASSETS:				
Investment in State General Fund				
Investment Pool	\$ 7,793,022	\$ 46	\$ 5,957,034	\$ 13,750,102
Cash	861,524	-	-	861,524
Accounts receivable, net	15,484,372	-	-	15,484,372
Due from federal government	17,907,393	-	-	17,907,393
Due from other state agencies	9,966,018	-	466,032	10,432,050
Due from other local governments	138,423	-	-	138,423
Intergovernmental Receivables	35,742	-	-	35,742
Due from other funds	256,675	-	16,571	273,246
Inventory	2,437,727	-	-	2,437,727
Prepaid expenses and others	227,330	-	-	227,330
TOTAL ASSETS	\$ 55,108,226	\$ 46	\$ 6,439,637	\$ 61,547,909
LIABILITIES:				
Accounts payable	\$ 24,375,643	\$ -	\$ 1,351,414	\$ 25,727,057
Accrued payroll	2,579,003	-	10,923	2,589,926
Cash Overdraft	-	-	9,842	9,842
Due to State General Fund	2,461,373	46	126,249	2,587,668
Due to other funds	259,994	-	13,262	273,256
Due to other state agencies	17,953,403	-	-	17,953,403
Due to federal government	22,297	-	-	22,297
Intergovernmental Payables	50,491	-	31,294	81,785
Other liabilities	1,499,842	-	830,700	2,330,542
TOTAL LIABILITIES	49,202,046	46	2,373,684	51,575,776
FUND BALANCES:				
Nonspendable	2,469,265	-	-	2,469,265
Restricted	3,436,915	-	4,065,953	7,502,868
Unassigned	-	-	-	-
TOTAL FUND BALANCES	5,906,180	-	4,065,953	9,972,133
TOTAL LIABILITIES, AND FUND BALANCES	\$ 55,108,226	\$ 46	\$ 6,439,637	\$ 61,547,909

See Notes to Financial Statements

STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
As of June 30, 2015

Total Fund Balances - Governmental Funds (Governmental Funds Balance Sheet)		\$	9,972,133
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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:			131,931,389
Accumulated depreciation is:			<u>(72,540,786)</u>

Total capital assets			59,390,603
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Capital lease payable is not due and payable in the current period and, therefore, are not reported in the funds:			(54,330,000)
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Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds:			(7,536,428)
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Net position of governmental activities (Statement of Net Position)		\$	<u><u>7,496,308</u></u>
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See Notes to Financial Statements

STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended June 30, 2015

	Major Funds			Total Governmental
	General Fund 06100	ARRA Fund 89000	Other Non-major	
REVENUES:				
Federal grant revenue	\$ 115,686,755	\$ -	\$ -	\$ 115,686,755
In-kind assistance	34,002,223	-	-	34,002,223
Charges for services	84,862,681	-	-	84,862,681
Investment earnings	4,427,898	-	-	4,427,898
Fees, penalties, rentals and other	10,758,707	-	966,029	11,724,736
TOTAL REVENUES	249,738,264	-	966,029	250,704,293
EXPENDITURES:				
Current operating:				
Administration	16,372,580	-	-	16,372,580
Public health	165,711,520	-	2,757,951	168,469,471
Public health in-kind assistance	34,002,223	-	-	34,002,223
Epidemiology and response	17,419,725	-	7,234,548	24,654,273
Laboratory services	12,560,362	-	-	12,560,362
Facilities management	139,497,091	-	19,154	139,516,245
Development Disabilities Support Services	47,085,516	-	-	47,085,516
Health, Certification, Licensing and Oversight	11,558,090	-	-	11,558,090
Other health initiatives	-	-	753,372	753,372
Capital outlay	1,269,584	-	45,040	1,314,624
Capital lease principal payment	-	-	1,215,000	1,215,000
Capital lease interest payment	1,019	-	2,835,000	2,836,019
TOTAL EXPENDITURES	445,477,710	-	14,860,065	460,337,775
DEFICIENCY OF REVENUES OVER EXPENDITURES	(195,739,446)	-	(13,894,036)	(209,633,482)
OTHER FINANCING SOURCES (USES):				
General fund appropriation	300,899,300	-	11,081,400	311,980,700
Tobacco Settlement appropriation	6,851,600	-	-	6,851,600
County-supported Medicaid	-	-	2,675,392	2,675,392
Severance Tax/GOB appropriation	-	-	63,433	63,433
Reversion - FY2015 - transfer out	(2,461,373)	-	(126,249)	(2,587,622)
Inter-agency transfers-In	1,537,112	-	55,928	1,593,040
Inter-agency transfers-Out	(108,513,872)	-	-	(108,513,872)
TOTAL OTHER FINANCING SOURCES	198,312,767	-	13,749,904	212,062,671
NET CHANGE IN FUND BALANCE	2,573,321	-	(144,132)	2,429,189
FUND BALANCES, BEGINNING	3,332,859	-	4,210,085	7,542,944
FUND BALANCES, ENDING	\$ 5,906,180	\$ -	\$ 4,065,953	\$ 9,972,133

See Notes to Financial Statements

STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2015

Net Changes in Fund Balances - Total Governmental Funds
(Statement of Revenues, Expenditures, and Changes in Fund Balances) \$ 2,429,189

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

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: (713,845)

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	1,314,624
Depreciation expense	<u>(4,279,926)</u>
Excess of depreciation expense over capital outlay	(2,965,302)

The Statement of Activities reports the gain(loss) on the sale and transfer of equipment, while the Statement of Revenues, Expenditures and Changes in Fund Balance reports the proceeds. The following amounts are the difference:

Gain on Capital Assets Disposals	21,066
Transfers, Capital Assets, net	(838,376)

Repayments of capital lease obligations are an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the Statement of Net Assets: 1,215,000

Change in net assets of governmental activities (Statement of Activities) \$ (852,268)

See Notes to Financial Statements

STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
STATEMENT OF REVENUES AND EXPENDITURES -
GENERAL FUND BUDGET AND ACTUAL
(MODIFIED ACCRUAL BUDGETARY GAAP BASIS)
Year Ended June 30, 2015

GENERAL FUND - FUND 06100

	Budgeted Amounts		Actual Amount (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Federal funds	\$ 101,302,000	\$ 103,841,392	\$ 88,337,662	\$ (15,503,730)
General funds	296,889,600	300,899,300	300,899,300	-
Other state funds *	116,272,100	120,221,820	112,053,646	(8,168,174)
Other financing sources	-	-	-	-
Inter-agency transfers**	25,651,200	25,917,950	23,733,446	(2,184,504)
TOTAL REVENUES	540,114,900	550,880,462	525,024,054	(25,856,408)
Budgeted fund balance	25,000	25,000	-	(25,000)
TOTAL REVENUES AND FUND BALANCE BUDGETED	\$ 540,139,900	\$ 550,905,462	\$ 525,024,054	\$ (25,881,408)
EXPENDITURES - current & capital outlay:				
Personal services and employee benefits	\$ 206,943,400	\$ 212,507,675	\$ 211,291,039	\$ 1,216,636
Contractual services	81,147,400	86,027,526	76,067,520	9,960,006
Other	140,064,700	140,385,861	124,116,928	16,268,933
Other financing uses	111,984,400	111,984,400	108,513,872	3,470,528
TOTAL EXPENDITURES	\$ 540,139,900	\$ 550,905,462	519,989,359	\$ 30,916,103
EXCESS OF REVENUES OVER EXPENDITURES			5,034,695	
REVERSIONS (NOT BUDGETED)			2,461,373	
Reconciling Item			<u>(1)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 2,573,321</u>	

* Federal funds passed through to the Department from other sources in the amount of \$ 12,004,360 is budgeted as other state fund and is classified as federal grant revenue on the statement of revenues, expenditures and changes in fund balances.

**Federal funds passed through to the Department from Other State Agencies in the amount of \$ 15,344,733 is budgeted as other inter-agency transfers and is classified as federal grant revenue on the statement of revenues, expenditures and changes in fund balances.

Public Health in-kind assistance not included in the budget.

STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
STATEMENT OF REVENUES AND EXPENDITURES - ARRA FUND
BUDGET AND ACTUAL (MODIFIED ACCRUAL BUDGETARY GAAP BASIS)
Year Ended June 30, 2015

ARRA FUND (Fund 89000) Multi-year Budget

Budgeted Amounts

	Original Budget in 2009	Accumulated Additions FY 2009 - FY 2014	Interim Accumulated Budget FY 2014	FY 2015 Budget Adjustments	Final Budget FY 2015
REVENUES:					
Federal funds	\$ 546,044	\$ 19,156,988	\$ 19,703,032	\$ -	\$ 19,703,032
General funds	-	-	-	-	-
Other state funds	-	-	-	-	-
Inter-agency transfers	-	-	-	-	-
TOTAL REVENUES	\$ 546,044	\$ 19,156,988	\$ 19,703,032	\$ -	\$ 19,703,032
EXPENDITURES - current & capital outlay:					
Personal services and employee benefits	-	\$ 1,336,233	\$ 1,336,233	-	\$ 1,336,233
Contractual services	-	9,421,379	9,421,379	-	9,421,379
Other	546,044	8,399,376	8,945,420	-	8,945,420
Other financing uses	-	-	-	-	-
TOTAL EXPENDITURES	\$ 546,044	\$ 19,156,988	\$ 19,703,032	\$ -	\$ 19,703,032
EXCESS OF REVENUES OVER EXPENDITURES					
NET CHANGE IN FUND BALANCE					

See Notes to Financial Statements

STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
STATEMENT OF REVENUES AND EXPENDITURES - ARRA FUND
BUDGET AND ACTUAL (MODIFIED ACCRUAL BUDGETARY GAAP BASIS)
Year Ended June 30, 2015

ARRA FUND (Fund 89000) Multi-year Budget

	Actual Amounts for FY 2009 to FY 2014	Adjustment for Prior Years	Actual Amount FY 2015 (Budgetary Basis)	Accumulated Actual Amount FY 2009 - 2015	Variance From Final Budget Positive (Negative)
REVENUES:					
Federal funds	\$ 19,009,365	\$ -	\$ -	\$ 19,009,365	\$ (693,667)
General funds	-	-	-	-	-
Other state funds	-	-	-	-	-
Inter-agency transfers	-	-	-	-	-
TOTAL REVENUES	\$ 19,009,365	\$ -	\$ -	\$ 19,009,365	\$ (693,667)
EXPENDITURES - current & capital outlay:					
Personal services and employee benefits	\$ 1,120,104	\$ -	\$ -	\$ 1,120,104	\$ 216,129
Contractual services	9,056,372	-	-	9,056,372	365,007
Other	8,832,889	-	-	8,832,889	112,531
Other financing uses	-	-	-	-	-
TOTAL EXPENDITURES	\$ 19,009,365	\$ -	\$ -	\$ 19,009,365	\$ 693,667
EXCESS OF REVENUES OVER EXPENDITURES					-
NET CHANGE IN FUND BALANCE					\$ -

See Notes to Financial Statements

STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
STATEMENT OF FIDUCIARY ASSETS AND LIABILITES -
AGENCY FUNDS
As of June 30, 2015

	Agency Funds
ASSETS:	
Investment in State General Fund Investment Pool	\$ 314,975
Cash	1,178,501
Due from other Funds	10
	\$ 1,493,486
TOTAL ASSETS	
LIABILITIES:	
Vouchers Payable	\$ 323
Due to other state agencies	210,132
Due to State General Fund	104,830
Deposits held for others	1,178,201
	\$ 1,493,486
TOTAL LIABILITIES	

See Notes to Financial Statements

**STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

The State of New Mexico Department of Health (the Department) is a cabinet department of the executive branch of government created by state statute under Chapter 9, Article 7 NMSA 1978. The Department's administrative head is the Secretary, who is appointed by the Governor with the consent of the Senate and serves in the Governor's executive cabinet.

The Governmental Accounting Standards Board (GASB) has set forth criteria to be used in determining financial accountability. These criteria include the State of New Mexico's ability to appoint a voting majority of an organization's governing body and either the ability of the State to impose its will on that organization, or the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the State.

The Department is part of the primary government of the State, and its financial data will be included with the financial data of the State. The State issues an audited Comprehensive Annual Financial Report inclusive of the various state departments, agencies, institutions and organizational units which are controlled by or dependent upon the New Mexico legislature or its constitutional officers that make up the State's legal entity.

Chapter 12, Article 6, NMSA 1978 requires that the financial affairs of every agency be thoroughly examined and audited each year and that a complete written report is made.

For financial reporting purposes, the Department has been defined as an integral part of the State's Executive Branch, and the accompanying financial statements include all funds over which the Secretary has the following oversight responsibilities:

- Financial interdependency
- Ability to significantly influence operations
- Accountability for fiscal matters
- Selection of governing authority
- Designation of management

The Department of Health's budget is appropriated by the Legislature during the State's annual legislative session. For fiscal year 2015 (FY15), the Legislature passed and the Governor enacted the budget, and the Operating Budget was approved, in eight Program Areas, as shown below:

**STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Program Area One (P001) — Administration:

- Office of the Secretary
- Chief Financial Officer
- Office of General Counsel
- Office of Internal Audit
- Chief Information Officer
- Human Resources
- Administrative Services

The Administration Program provides leadership, policy development, information technology, administrative, financial and legal support to the Department to ensure that the Department achieves a high level of accountability and excellence in services provided to the people of New Mexico.

Program Area Two (P002) — Public Health:

- Division Director
- WIC Program
- Immunization Program
- Breast and Cervical Cancer
- Diabetes Program
- Family Health Program
- Children's Medical Services
- Family Planning
- Maternal Child Health
- Pharmacy

The Public Health Division is statutorily required to create and fund programs, services and policy to protect the health and welfare of the people of New Mexico. In doing so, the Division focuses on cost-effective early prevention programs, creating a safe and healthy environment, preventing and controlling infectious diseases, and increasing access to health care services.

Program Area Three (P003) — Epidemiology and Response:

- Emergency Preparedness Emergency
- Medical Services
- Epidemiology and Response
- Vital Records and Health Statistics
- Trauma Authority

**STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

The mission of the Epidemiology and Response Division is to monitor health, provide health information, prevent disease and injury, promote health and healthy behaviors, respond to public health events, prepare for health emergencies, and provide emergency medical and vital registration services to New Mexicans. This mission is achieved through six bureaus: Vital Records and Health Statistics, Infectious Disease Epidemiology, Injury and Behavioral Epidemiology, Environmental Health Epidemiology, Health Emergency Management and Emergency Medical Services.

Program Area Four (P004) — Laboratory Services:

Scientific Laboratory Division

The Scientific Laboratory Division (SLD) provides clinical testing for infectious disease agents in support of public health programs operated by the Department; veterinary, food, and dairy testing for the Department of Agriculture; forensic toxicology (drug) testing in support of the Department of Public Safety and local law enforcement agencies for the Implied Consent Act (DWI) and for autopsy investigation performed by the Office of the Medical Investigator; and chemical testing for environmental monitoring and enforcement of law and environmental regulations for the Environment Department. SLD also provides clinical testing for state and local hospitals for infectious diseases that are rare or novel in New Mexico and provides training and certification of law enforcement officers to perform breath alcohol testing within New Mexico. The activities of SLD in support of these state agencies are mandated in statute and are essential for the successful missions of the programs it supports in these agencies.

Program Area Six (P006) — Facilities:

Fort Bayard Medical Center (Silver City)
State Veterans Home (Truth or Consequences)
Turquoise Lodge (Albuquerque)
New Mexico Rehabilitation Center (Roswell)
Sequoyah Adolescent Treatment Center (Albuquerque)
Behavioral Health Institute (Las Vegas)
Los Lunas Community Program

The Facilities Program provides chemical dependency and rehabilitation services, adult psychiatric services, forensic services, long term care services, community based services, developmentally disabled community services and adolescent treatment and reintegration services to New Mexico residents in need of such services in seven facilities across New Mexico.

**STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

Program Area Seven (P007) — Developmental Disabilities Support Division:

Home-based Living for the Disabled

The purpose of the Developmental Disabilities Support Division is to administer a statewide system of community-based services and supports in order to improve the quality of life and to increase the independence and interdependence of individuals with developmental disabilities and children with or at risk for developmental delay or disability and their families.

Program Area Eight (P008) — Division of Health Improvement:

Health Facility Licensing and Certification
Incident Management
Quality Management
Caregiver's Criminal History Screening

The mission of the Division of Health Improvement (DHI) is to assure safety and quality care in New Mexico's health care facilities and community-based programs in collaboration with consumers, providers, advocates, and other agencies. DHI promotes quality improvement by conducting surveys and program reviews, taking appropriate action, identifying trends and patterns, and procuring training.

Program Area Seven Eighty Seven (P787) — Medical Cannabis Program:

The New Mexico Medical Cannabis Program was created under the Lynn and Erin Compassionate Use Act. The purpose of this Act is to allow the beneficial use of medical cannabis in a regulated system for alleviating symptoms caused by debilitating medical conditions and their medical treatments. Department of Health administers the program in accordance with the Act while at the same time ensuring proper enforcement of any criminal laws for behavior that has been deemed illicit by the state.

Governmental Accounting Standards Board Statement establish standards for identifying a component unit through evaluation of the reporting entity and significance of certain related party transactions, defined as potential component units. Depending on the results of the evaluation, financial information of related parties determined to be component units could be required to be included in the financial statements of the reporting entity.

In evaluating how to define the Department for financial reporting purposes, management has evaluated the Department's potential component units. The basic, but not the only, criteria for including a potential component unit as part of the reporting entity are the governing body's ability to exercise oversight responsibility.

**STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

The most significant aspects of this responsibility are the selection of governing authority, the designation of management, the ability to significantly influence operations, and the accountability for fiscal matters. A second criteria used in evaluating potential component units is the scope of public service.

Application of the criteria involves considering whether the activity benefits the Department. A third criteria used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Department is able to exercise oversight responsibilities. In the financial statements, discrete presentation entails reporting component unit financial data in a column separate from the financial data of the Department. Based on the application of these criteria, there are no component units included in these financial statements.

Measurement Focus, Basis of Accounting and Basis of Presentation

The financial statements of the Department of Health have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units as prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting standards. GASB Statement 34, Statement 37 and Statement 38 establish financial reporting requirements for state and local governments throughout the United States.

The Department is responsible for the fair presentation of the accompanying financial statements in conformity with generally accepted accounting principles. The Department has implemented these standards beginning with the fiscal year ended June 30, 2002. The Department has prepared required supplementary information in the titled Management's Discussion and Analysis, (MD&A), which precedes the basic financial statements. The Department's significant accounting policies are described below.

The basic financial statements include both government-wide (based on the Department as a whole) and fund financial statements. While the previous model emphasized fund types (the total of all funds of a particular type), in the new model focus is on either the Department as a whole or major individual funds (within the 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, and exclude fiduciary funds. The Department is a single-purpose government entity and has no business type activities. In the government-wide Statement of Net Position, the governmental activities are presented on a consolidated basis and are presented using the economic resources measurement focus and the accrual basis of accounting, which incorporates long-term assets and receivables as well as long-term debt and obligations.

**STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

The government-wide Statement of Activities reflects both the gross and net cost-per-functional category, which is otherwise being supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation expense on capital assets) by related program revenues, operating and capital grants. The program revenues must be directly associated with the function. All internal activity has been removed from the financial statements.

The net cost by function is normally covered by general revenue. The Department operates eight programs and employs indirect and direct cost allocation as applicable in the financial statements.

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

Emphasis is on the major funds of the governmental category. Non-major funds are summarized into a single column. The Department utilizes governmental funds and fiduciary funds. The Department has no proprietary funds to report.

The governmental funds in the fund financial statements are presented on a current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. This presentation is deemed more appropriate to demonstrate legal and covenant compliance, to demonstrate the source and use of liquid resources, and to 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, which briefly explains the adjustment necessary to transform the fund-based financial statements into the governmental column of the government-wide presentation. The Department's General Fund is a reverting fund.

The focus of the revised model is on the Department as a whole and the fund financial statements, including the major funds in the governmental category.

The financial transactions of the Department are recorded in the General Fund and its other funds, each of which is considered a separate accounting entity. The operations of the funds are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, expenditure or expenses, and other financing sources or uses. Government resources are allocated to, and accounted for, in the fund based upon the purpose for which they are to be spent and the means by which the spending activities are controlled.

**STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

The following describes the individual funds 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, the statements present a summary of sources and uses of available spendable resources during a period. Due to their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by non-current liabilities. Because they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. The following is a description of the funds of the Department:

Major Funds

General Fund (Fund 06100) - The General 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. The General Fund combines activities for all the programs of the Department. The General Fund is funded from appropriations from the State of New Mexico State General Fund, special appropriations, Federal grants and other revenue. These funds are reverting.

ARRA Fund (Fund 89000) - The Department of Health ARRA Special Revenue Fund was administratively created by NM Department of Finance and Administration. The fund is used to account for the activity related to the funding provided by the federal government under the American Recovery and Reinvestment Act. These funds are non-reverting. The fund will be closed in FY16.

Other Non-major Funds

Special Revenue Funds. DOH maintains six non-major Special Revenue Funds to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Those funds are:

The Medical Cannabis Fund (Fund 11400) - This fund was created by Senate Bill 240, as amended in Laws of 2012, chapter 42. The fund consists of fees collected by the Department of Health pursuant to the Medical Cannabis Program that the Department of Health administers, income from investment of the fund and income

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otherwise accruing to the fund. Money appropriated is to support the administration of the medical cannabis program; provided that none of the money from the fund shall be used for capital expenditures. These funds are reverting.

The County Supported Medicaid Fund (Fund 21900) - This fund was created by Section 27- 10-3 NMSA 1978 to institute or support primary health care services in underserved areas. These funds are restricted by law and do not revert in any fiscal year. These funds are non-reverting.

The Trauma System Fund (Fund 25700) - This fund was created by Section 24-10E-2 NMSA 1978. The purpose of this fund was to provide funding to sustain existing trauma centers, support the development of new trauma centers and develop a statewide trauma system. These funds are non-reverting.

The Save Our Children's Sight Fund (Fund 26100) - This fund was created by Section 24-1-31 NMSA 1978. The purpose of this fund is to provide funding for the development and implementation of a vision screening program, which includes making vision screenings and follow up comprehensive examinations available to the children of New Mexico regardless of family income. These funds are non-reverting.

The Emergency Medical Services Fund (Fund 75600) - This fund was created by Section 24- 10A-2 NMSA 1978. The purpose of this fund is to make money available to municipalities and counties for use in the establishment and enhancement of local emergency medical services, statewide emergency medical services and trauma services in order to reduce injury and loss of life. These funds are non-reverting.

The Birthing Workforce Retention Fund (Fund 95800) - The fund was created by Section 41-5-26.1 NMSA 1978. The purpose of this fund is to provide malpractice insurance premium assistance for certified nurse-midwives or physicians whose insurance premium costs jeopardize their ability to continue their obstetrics practices in New Mexico. These funds are non-reverting.

Capital Projects Fund. DOH also maintains three Capital Project Funds to account for appropriations that are restricted by law. Those funds are:

Fort Bayard Medical Center Lease Purchase Agreement Fund (Fund 20480) - The New Mexico Department of Health was appropriated funds in the Laws of 2011, Chapter 179, Section 4 for the Fort Bayard Medical Center Lease Purchase Agreement. The fund was created to account for all fiscal activity related to the lease purchase agreement between the State of New Mexico – Department of Health and Grant County, New Mexico. The payments for the lease purchase agreement are funded through General Fund Appropriations. These funds are reverting.

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STB Capital Outlay Statewide Fund (Fund 89200) - This Capital project Fund is used to account for severance tax bond funded capital projects. These funds are reverting.

The Capital Projects Fund (Fund 05900) is used to account for appropriations and expenditures relating to capital construction and improvement projects appropriated by the Legislature for long-term care and other facilities. The Capital Projects reported in this fund are funded through General Fund Appropriation or Severance Tax Bond sales. The debt for the Severance Tax bonds are recognized and reported in the report of the New Mexico State Treasurer's Office. These funds are reverting. The fund will be closed in FY16.

Fiduciary Funds

Agency Funds. The Department also maintains two Agency Funds, which are trust accounts that are held for clients. They are not available for use by the Department but are held for clients, such as wards of the State and other state agencies. Accounting for financial activity in these funds utilizes the full accrual basis of accounting.

The Birth & Death Certificate Fund (Fund 50200) - This fund is used to account for revenue from birth and death certificates collected by Public Health Offices statewide and due by statute to the State General Fund and the New Mexico Children, Youth, and Families Department.

The Patients' Trust Fund (Fund 51000) - This fund is used for patient trust monies that are held on behalf of the residents of the Department's long-term and other care facilities.

Measurement Focus and Classification of Funds

Individual funds have been established as stipulated by legal provisions or by administrative direction. The funds presented are classified as follows:

Governmental Funds account for the acquisition, use, and balances of expendable financial resources and the related current liabilities. Governmental fund types use the flow of current financial resources measurement focus. Included in this classification is the General Fund, which is the Department's operating fund that accounts for all financial resources except those required to be accounted for in another fund; the six Special Revenue Funds described above; and the Capital Projects Funds.

Fiduciary Funds account for assets held by the State in a trustee capacity or as an agent for individuals, other governmental units, or other funds. Included in this fund category are the Department's two Agency Funds described above. Agency funds are

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custodial in nature; thus, they do not measure results of operations. The two Agency Funds deal with patient trust funds for patients' checking, savings, and burial accounts from which the patients buy personal items.

These funds are not incorporated in to the government-wide financial statements. Fiduciary funds use the accrual basis of accounting.

When both restricted and unrestricted resources are available for use, it is the Department's policy to use restricted resources first, and then unrestricted resources as they are needed.

Effective July 1, 2012, the Department adopted GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflow of Resources, and Net Position. This statement had minimal impact on the Department's financial statements or related accounting and financial reporting. The primary effects of implementing this statement was to change all previous references from "net assets" to "net position," change the line item for "invested in capital assets, net of related debt" to "net investment in capital assets," and to classify certain assets and liabilities as "deferred inflows" and "deferred outflows."

GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, was implemented effective July 1, 2014, and thus adopted by the Department in fiscal year 2015. The statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities, and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

In June 2012, 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.

In January 2013, 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

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benefit pension plan after the measurement date of the government's beginning net pension liability.

Compliant with the requirements of Government Accounting Standards Board Statement No.68 and No.71, the State of New Mexico has implemented the standards for the fiscal year ending June 30, 2015.

The Department, as part of the primary government of the State of New Mexico, is a contributing employer to a cost-sharing multiple employer defined benefit pension plan administered by the Public Employees Retirement Association (PERA). Overall, the total pension liability exceeds Plan net position resulting in a Net pension liability. The State has determined the State's share of the net pension liability to be a liability of the State as a whole, rather than any agency or department of the State and will not be reported in the department or agency level financial statements of the State. All required disclosures will be presented in the Comprehensive Annual Financial Report (CAFR) of the State of New Mexico.

Information concerning the net pension liability, pension expense, and pension-related deferred inflows and outflows of resources of the primary government will be contained in the General Fund and the CAFR and will be available, when issued, from the Office of State Controller, Room 166, Bataan Memorial Building, 407 Galisteo Street, Santa Fe, New Mexico, 87501.

Non-Current Governmental Assets/Liabilities

GASB Statement 34 eliminated the presentation of Account Groups but requires that these records be maintained and that the information incorporated into the government-wide Statement of Net Assets. GASB Statement 63 changed the report of government-wide from using the Statement of Net Assets to using the Statement of Net Position.

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

The government-wide financial statements are presented using the "economic resources" measurement focus and the accrual basis of accounting.

Under the accrual basis of accounting, revenue is recognized when earned and expenditures are recognized when the liability is incurred or economic asset used. Revenue, expenses, gains, losses, assets, and liabilities resulting from exchange-like transactions are recognized when the exchange takes place. Revenue, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement 33. The governmental funds

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in the fund financial statements utilize the modified accrual basis of accounting. Under this method, revenue and other governmental fund financial resource increments are recognized in the accounting period in which they become susceptible to accrual - that is, when they become both measurable and available to finance expenditures of the current fiscal period. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, generally 60 days. The exception to this rule is Federal Grant expenditures which generally are reimbursed within 120 to 150 days of the expenditures.

In 2015 DOH also found patient charges to take up to 120 days for reimbursements as a result of changes due to contract changes related to the American Affordable Health Care Act.

Contributions and other monies held by other state and local agencies are recorded as a receivable at the time the money is made available to the specific fund. All other revenues are recognized when they are received and are not susceptible to accrual.

Expenditures are recorded as liabilities when incurred. An exception to this general rule is that accumulated unpaid annual, compensatory and certain sick leave are not accrued as current liabilities but as non-current liabilities. Expenditures charged to federal programs are recorded utilizing the cost principles described by the various funding sources. When expenditure is incurred for purposes for which both restricted and unrestricted net assets are available, the Department first uses restricted resources and then unrestricted resources.

Fund Balance Classifications

In the governmental fund financial statements, fund balances are classified as nonspendable, restricted, or unrestricted (committed, assigned, or unassigned). Restricted represents those portions of fund balance where constraints placed on the resources are either externally imposed or imposed by law through constitutional provisions or enabling legislation. Committed fund balance represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Legislative and Executive branches of the State. Assigned fund balance is constrained by the Legislature's and Executive Branch's intent to be used for specific purposes or in some cases by legislation.

The Department's fund balances represent: 1) Restricted Purposes, which include balances that are legally restricted for specific purposes due to constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; 2) Committed Purposes, which include balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Legislative and Executive branches; 3) Assigned Purposes, which includes balances

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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, 2015, follows:

Nonspendable - Petty Cash and Change Funds. This reserve was created for imprested petty cash funds and change funds.

Nonspendable - Inventories. This reserve was created to represent the portion of fund balance that is not available for expenditures because the Department expects to use the resources within the next budgetary period.

Nonspendable - Postage. This reserve was created for prepaid postage on hand at year end. At year end, postage remaining in the meter is recorded as a prepaid asset with an offsetting reserve of fund balance in the Governmental Fund Statement.

Spendable - Restricted. This reserve consists of liquid assets (generated from revenues and not bond proceeds), which have third-party (statutory or granting agency) limitation on their use.

Spendable - Committed for Multi-Year Appropriations. This reserve was created for multiyear appropriations for which the Department has received funds for projects which extend into future years.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, restricted fund balance must be spent first. When expenditures are incurred for purposes for which amounts in any of unrestricted fund balance classifications can be used, committed amounts should be reduced first, followed by assigned amounts and then unassigned amounts.

NOTE 2. ASSETS, LIABILITIES, AND NET POSITION

Cash

The Department maintains cash accounts with the Office of the State Treasurer and at various commercial institutions statewide. Amounts on deposit with the commercial institutions are fully insured by the Federal Deposit Insurance Corporation up to \$250,000.

Amounts over \$250,000 must be secured in accordance with 6-10-17 NMSA 1978 which requires banks pledge collateral valued at 50 percent of the uninsured amount deposited.

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The Department is required by statute to deposit any money received into the State Treasury. Balances maintained at the end of each day are pooled and invested by the State Treasurer in repurchase agreements. The 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 Department (refer to Schedule 2 — Pledged Collateral and Schedule 1 — Schedule of Individual Deposits). Custodial credit risk is the risk that, in the event of failure of the counterparty, the Department will not be able to recover the value of its cash that is in the possession of an outside party. The Department's cash balances are not exposed to custodial credit risk. All are fully collateralized and the collateral is held in the Department's name.

Interest in State General Fund Investment Pool

Compliant with statute 6-10-3 (NMSA 1978), and to optimize state cash management and investment practices, funds of various state agencies are deposited in the State General Fund Investment Pool (SGFIP). This pool is managed by the New Mexico State Treasurer's Office (STO). Claims on the SGFIP are reported as financial assets by the various agencies investing in the SGFIP.

Agency claims against the SGFIP and fiduciary resources held at STO to fulfill those claims were not reconciled from the inception of SHARE (the State's centralized accounting system), in July 2006, through January 2013, which caused uncertainty as to the validity of the claims and the ability of fiduciary resources to fulfill those claims. As a result of business process and systems configuration changes made during the Cash Management Remediation Project Phase I the Department of Finance and Administration's Financial Control division began reconciling transactional activity reported by the State's fiscal agent bank to the SHARE general ledger on a point-forward basis beginning February 1, 2013. In March 2015, the Financial Control Division implemented a reconciliation process that compares statewide agency claims against the resources held in the SGFIP at STO. This process is known as the claims to resources reconciliation. The claims to resources reconciliation process has been applied to fiscal year-end 2014 and the months from January 2015 through June 2015.

Agency claims on the SGFIP will be honored in their entirety. Any adjustment necessary to the claims balance will be applied against the General Operating Reserve.

No portion of the adjustment shall be allocated to any specific agency that participates in the SGFIP.

The Department of Health identifies and posts all warrants and deposits as they are processed at the department's Administrative Services Division (ASD). Each fund has an Interest in the State General Fund Investment Pool.

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At June 30, 2015, the Department had the following invested in the General Fund Investment Pool: \$14,055,235. Refer to Schedules 1 and 2 of the Supplementary Schedules related to deposits and collateral related to Cash and the General Fund Investment Pool funds.

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

Credit risk - The New Mexico State Treasurer pools are not rated.

For additional GASB 40 disclosure information regarding cash held by the New Mexico State Treasurer, the reader should see the separate audit report for the New Mexico State Treasurer's Office for the fiscal year ended June 30, 2015.

The Department overdrew its Severance Tax Bond Fund 89200 cash account as of June 30, 2015 by \$9,842.

Inventory and Prepaid

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. In addition, employee travel advances are recorded as pre-paid items until travel is completed and actual amounts due are reconciled and paid.

Inventory is valued at cost using the first-in, first-out method. Inventory consists of expendable supplies held for consumption and pharmaceuticals held for patient use at the public health field offices, medical and long-term facilities.

Capital Assets

Property, buildings, and equipment purchased or acquired at a value of \$1,000 or greater prior to July 1, 2005 are capitalized. Capital Assets acquired after June 17, 2005, are only capitalized if the acquisition amount was \$5,000 or more (Section 12-6-10

NMSA 1978). Assets are carried at historical cost or estimated historical cost. Those assets acquired and capitalized prior to July 1, 2005 that have not been fully depreciated are still being depreciated under the previous policy. Currently, contributed assets are recorded at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and

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maintenance is expensed when incurred.

Depreciation on all assets, including software, is provided on the straight-line basis over the following estimated useful lives with no salvage value:

	<u>Years</u>
Land Improvements	10 to 20
Buildings and Structures	5 to 40
Machinery and Equipment	5 to 20
Vehicles	5 to 10
Information Technology	5 to 20
Furniture/Fixtures	5 to 20

In addition to the assets owned by the Department, the Department utilizes buildings, vehicles, furniture and equipment owned by the Property Control Division of the State of New Mexico General Services Department.

These assets and the related depreciation expense are not included in the accompanying financial statements.

Although GASB Statement 34 requires the recording and depreciation of infrastructure assets, such as roads, bridges, etc., the Department does not own any infrastructure assets.

Capital Leases

Leases that substantially transfer all of the risks and benefits of ownership are accounted for as capital leases. Capital leases are included in the capital assets, and where appropriate, are amortized over the shorter of their economic useful lives or lease terms. The related capital lease obligations are included in the long-term liabilities in the government-wide financial statements.

Compensated Absences

Vacation time, compensatory time, and sick time are reported as liabilities in the government-wide financial statements, with expenses being reported during the period that leave is accrued. It is the policy of the Department to permit employees to accumulate earned but unused vacation and sick pay benefits. The fund financial statements report expenditures during the period that employees are actually paid, or when compensated absences are liquidated with expendable financial resources from the operational portion of state General Fund appropriations. These expenditures are paid from the Department's General Operating Fund (Fund 06100). Qualified employees are entitled to accumulate vacation leave according to a graduated schedule of 80 to 160 hours per year, depending upon the length of service and the employee's hire date.

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A maximum of thirty working days (240 hours) of such accumulated annual leave may be carried forward into the beginning of the calendar year and any excess is lost.

When employees terminate, they are compensated for accumulated unpaid annual leave as of the date of termination, up to a maximum of thirty days.

Qualified employees are entitled to accumulate sick leave at the rate of one day for each calendar month of service. There is no limit to the amount of sick leave which an employee may accumulate. Once per fiscal year, in either January or July, employees may elect to be paid for 50% of accrued sick leave in excess of 600 hours, up to 720 hours, not to exceed 120 hours (60 hours maximum can be paid). Sick leave balances related to general fund operations in excess of 600, but not more than 1,000, hours have been recorded at 50% of the employee's hourly rate in the general fund.

Compensatory time may be granted by the Department to employees when overtime is needed. Employees not exempt from the FLSA may accrue up to 240 hours at the rate of one-and-a-half (1 ½) hours for each hour worked. The time will either be paid or taken as time off at the employee's election unless notified by the employer that it can only be taken as compensatory time off.

FSLA-exempt employees may only accrue up to 80 hours a year at a rate of one (1.0) times the hours worked. The exception is supervisory nurses who accrue their hours at the rate of one-and-a-half the normal rate (1 ½). The Department policy permits exempt employees to elect to be reimbursed by cash or take time off unless notified by the employer that it will only be taken as compensatory time off.

In addition to the basic current hourly pay rate, the accrual of compensated absences includes the Department's estimated costs of payroll taxes.

Net Position

The government-wide financial statements utilize a net position presentation. Net position are categorized as investment in capital assets less outstanding liquid assets (net of related debt), restricted and unrestricted.

- Investment in Capital Assets (net of related debt) - Reflects 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.
- Restricted Assets - Reflects the value of liquid assets generated from revenue but not bond proceeds which have third-party (statutory, bond covenant or granting agency) limitations on their use.
- Unrestricted Assets - Represents assets that do not have third-party limitations on their use.

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Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 expenditures during the reporting period. Actual results could differ from those estimates.

Intra-fund Activity

Intra-fund receivables or payables at year-end are netted as part of the reconciliation to the governmental-wide financial statements.

NOTE 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Data

The State Legislature makes annual appropriations to the Department. Legal compliance is monitored through the establishment of an annual operating budget for the Department that is reviewed and approved by the New Mexico Department of Finance and Administration.

The following are the procedures followed in establishing the budgetary data presented in the financial statements:

1. The Department submits an annual appropriation request (budget) to the New Mexico Legislature and the New Mexico Department of Finance and Administration for the fiscal year commencing the following July 1. The State Legislature must appropriate funds to the Department before an operating budget can be legally approved by the New Mexico Department of Finance and Administration.
2. The expenditures and encumbrances of each category may not legally exceed the budget for that category. Budgets are controlled at the four "category" levels:
 - Personal Services and Employee Benefits;
 - Professional Services;
 - Other Expenditures; and
 - Other Financing Uses.
3. All requested budget adjustments must be submitted to and approved by the Department of Finance and Administration in the form of budget adjustment requests.

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4. The budget is adopted on a modified accrual basis of accounting that is consistent with generally accepted accounting principles (GAAP). This practice became effective beginning July 1, 2004. In prior years, the budgetary basis was not considered to be consistent with the GAAP basis of accounting. Budgetary comparisons presented in the financial statements are now presented on a basis which is consistent with generally accepted accounting principles.
5. Unless otherwise specified in law (either appropriations acts or statutory law), appropriations to the Department are designated as "reverting" by the New Mexico State Legislature and, therefore, unencumbered balances in state agency accounts remaining at the end of the fiscal year from appropriations made from the New Mexico State General Fund revert to the New Mexico State General Fund.
6. Per Section 9 of the General Appropriation Act of 2008, all agencies, including legislative agencies, may request category transfers among personal services and employee benefits, contractual services and other. Therefore, the legal level of budgetary control would be the appropriation program level (A-Code, P-Code, R-Code, and Z-Code). The A-Code pertains to capital outlay appropriations (general obligation/severance tax or state general fund). The P-Code pertains to operating funds. The R-Code pertains to American Recovery & Reinvestment Act (ARRA) funds. The Z-Code pertains to special appropriations.

Revenue Recognition

State General Fund appropriations are recognized in the year the appropriation is made. Receivables are recognized as revenue in the year the services which gave rise to the receivable are provided. Bond proceeds are recognized when all eligibility requirements have been met.

Program Revenue

Program revenue includes:

- **Federal and Other Grants-** program-specific operating grants from federal sources or other state agencies. No allocation of indirect expenses is made by function as costs not accounted for by activity are considered immaterial. Revenue is recognized when appropriate expenditures are incurred or accrued by the Department.
- **Patient Service Revenue and Contractual Adjustments** - Patient services revenue is recorded at the established rates of the medical facilities and hospitals but is reduced by "contractual adjustments" to

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recognize allowances for charity services, provisions for uncollectible accounts, and charges that otherwise exceed payments from Medicare, Medicaid, private or other resources. Medicare and Medicaid payments accounted for approximately 82% of net patient service revenues received in 2015. Amounts receivable and payable under reimbursement from "third-party payer" agreements, primarily Medicare and Medicaid, are subject to examination and retroactive adjustment by a third-party payer. Provisions for estimated retroactive adjustments by third-party payers are provided in the period the related services are rendered. Any difference between the amounts accrued and settled is reflected in operations in the year of settlement. The facilities are paid for substantially all inpatient services rendered to Medicaid and/or Medicare program beneficiaries under prospectively determined rates per client. Accordingly, to the extent that costs incurred (exclusive of other defined capital costs and certain education costs of the rehabilitation centers which continue to be paid on the basis of reasonable costs) for services rendered to Medicare and Medicaid patients exceed the determined payment rates, those costs are not recoverable from the Medicare and Medicaid programs or their beneficiaries.

The facilities' payment classification of patients under the prospective system is subject to review based on validation audits by third parties.

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NOTE 4. ACCOUNTS RECEIVABLE

The accounts receivable and the related allowance for uncollectible accounts for the General Fund as of June 30, 2015, are as follows:

Program #	Program/Facility Name	Accounts Receivable	Allowance for Uncollectibles	Net Accounts Receivable
2	Public Health Division	\$ 2,010,445	\$ 167,245	\$ 1,843,200
3	Epidemiology and Response Division	45,544	-	45,544
4	Scientific Laboratory	34,497	13,560	20,937
6	Turquoise Lodge	623,687	543,455	80,232
6	New Mexico Behavioral Health Institute	6,600,057	3,062,540	3,537,517
6	New Mexico Rehabilitation Center	1,595,160	860,136	735,024
6	Sequoyah Adolescent Treatment Center	1,125,102	350,317	774,785
6	New Mexico Veterans Home	1,709,655	55,953	1,653,702
6	Fort Bayard Medical Center	9,037,206	2,842,502	6,194,704
6	Los Lunas Community Program	1,549,302	959,831	589,471
7	Developmental Disabilities Supports Division	9,256	-	9,256
	Total	<u>\$ 24,339,911</u>	<u>\$ 8,855,539</u>	<u>\$ 15,484,372</u>

The allowance for uncollectible accounts has been established from experience based on the records of the respective activities.

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NOTE 5. CAPITAL ASSETS

A summary of changes in capital assets is as follows:

Governmental Type Activities	Balance June 30, 2014	Additions	Deletions	Transfer	Balance June 30, 2015
Land	\$ 59,700	\$ -	\$ -	\$ -	\$ 59,700
Construction in Process	873,004	-	(34,628) (1)	(838,376)	-
Total Non-Depreciable Assets	932,704	-	(34,628)	(838,376)	59,700
Capital assets, being depreciated					
Land Improvements	210,433	-	-	-	210,433
Building and Structures	99,017,606	58,545	(214,110)	-	98,862,041
Machinery & Equipment	15,241,719	690,898	(593,714)	-	15,338,903
Vehicles	1,802,484	219,007	(17,908)	-	2,003,583
Information Technology	14,210,380	286,858	(602,100)	-	13,895,138
Furniture and Fixtures	1,566,641	59,316	(64,366)	-	1,561,591
Total Depreciable Assets	132,049,263	1,314,624	(1,492,198)	-	131,871,689
Total Capital Assets	132,981,967	1,314,624	(1,526,826)	(838,376)	131,931,389
Less accumulated depreciation					
Land Improvements	208,960	147	-	-	209,107
Building and Structures	42,223,625	2,702,521	(295,213)	-	44,630,933
Machinery & Equipment	12,525,516	737,580	(572,659)	-	12,690,437
Vehicles	1,633,660	46,390	(17,908)	-	1,662,142
Information Technology	11,829,634	760,380	(602,099)	-	11,987,915
Furniture and Fixtures	1,387,357	32,908	(60,013)	-	1,360,252
Total Accumulated Depreciation	69,808,752	4,279,926	(1,547,892)	-	72,540,786
Total Capital Assets Net	\$ 63,173,215	\$ (2,965,302)	\$ 21,066	\$ (838,376)	\$ 59,390,603
Depreciation expense was charged to functions as follows:					
Program Name		Program #			Depreciation Expense
Administration		1			\$ 334,250
Public Health		2			250,324
Epidemiology and response		3			158,157
Laboratory Services		4			548,912
Facilities management		6			2,896,290
Developmental disabilities support services		7			8,261
Health certification, licensing and oversight		8			79,760
Medical Cannabis		787			3,972
		Total Depreciation Expenses			\$ 4,279,926
(1) The Department of Health (DOH) remodeled the Harold Runnels building during Fiscal Year (FY) 2014, adding five break-rooms for its staff. The remodeling was paid for from FY 2014 general fund appropriations. The project was completed in 2014 and was approved as completed in July, 2014. At that time the General Services Department (GSD) took possession of the completed project because it owns the building under the State Laws of 1999. Therefore, the completed project was transferred to GSD to be recognized as their asset and is no longer recorded as Construction in Process for DOH.					

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NOTE 6. COMPENSATED ABSENCES

Compensated absences consist of annual leave, sick leave and comp time earned by Department employees. This time is considered to be a current obligation of the Department. Changes in compensated absences are recorded in the financial statements as follows:

Balance			Balance	Due
June 30, 2014	Additions	Deletions	June 30, 2015	Within One
				Year
<u>\$ 6,822,583</u>	<u>\$ 6,285,311</u>	<u>\$(5,571,466)</u>	<u>\$ 7,536,428</u>	<u>\$ 4,549,777</u>

NOTE 7. DUE TO AND DUE FROM OTHER STATE AGENCIES

Transactions that occur among state agencies under legislative mandate, exchange transactions, and other situations are accounted for in the financial statements which make up the due from and due to other state agencies. The Due To and Due From Other State Agencies balances at June 30, 2015 are found at Schedule 5.

NOTE 8. INTERFUND ACTIVITY

Due To/From Other Funds and sub-funds at June 30, 2015 are as follows:

Fund Name	Fund No.	Amount	Fund Name	Fund No.	Amount
General Fund	06101	\$ 6,662	General Fund	06101	\$ 34,227
General Fund	06102	(3,224)	General Fund	06102	227,961
General Fund	06104	-	General Fund	06104	(3,224)
General Fund	06105	253,237	General Fund	06105	1,030
Trauma Fund	25700	-	Medical Cannabis	11415	10,619
Emergency Medical Services	75601	15,437			
STB Capital Fund	89200	1,134	Trauma Fund	25700	2,643
Total Governmental Funds		273,246	Total Governmental Funds		273,256
Fiduciary funds:					
Birth & Death Certificate Fund	50200	10	Birth & Death Certificate Fund	50200	-
Total Due From		\$ 273,256	Total Due To		\$ 273,256

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NOTE 9. OTHER LIABILITIES

Other liabilities consist of:

Civil Monetary Penalties – Held for Federal Programs	\$ 592,654
Funds held for others	706,872
Funds held for state employees	136
Medical Cannabis FY16 refund of licenses	854,971
New Born Screening Kits	169,512
Miscellaneous	6,397
Total Other Liabilities	<u>\$ 2,330,542</u>

NOTE 10. OPERATING LEASES

The Department leases equipment and building office space under operating leases. Operating leases do not give rise to eventual property rights or lease obligations and, therefore, the effect of the lease obligations are not reflected in the Department's liabilities. Operating leases are subject to future appropriations and are cancellable by the Department at the end of the fiscal year.

The Department has commitments for lease obligations for the following periods for the following amounts:

<u>Years Ending June 30:</u>	<u>Lease Amounts</u>
2016	\$ 4,048,223
2017	2,946,197
2018	2,335,252
2019	1,966,603
2020	1,652,661
2021-2025	6,207,817
2026-2030	<u>1,878,918</u>
Total	<u>\$ 21,035,671</u>

Rental expenditures for the fiscal year ended June 30, 2015 were \$ 5,345,448.

NOTE 11. CAPITAL LEASE

The Department entered into a lease-purchase agreement as a lessee with Grant County of New Mexico that was conditionally approved in February 19, 2008 by the New Mexico State Board of Finance. The lease provides that the Department will cause a healthcare facility (the Facility) to be acquired, constructed and equipped on unimproved land in the Village of Santa Clara, New Mexico (the Land), financed with proceeds from the County's Project Revenue Bonds (Ft. Bayard Project), Series 2008

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(the Bonds). The Facility will be a replacement for the existing Fort Bayard Medical Center. Under the lease and subject to its terms and conditions, the Department will be obligated to make payments, among others, in the amounts and at the times necessary to allow for the timely payment of the principal and interest on the Bonds after the completion of the Facility. The agreement contains an option to purchase shall the Department decide to purchase the Facility during the term of the lease with the approval of the New Mexico State Board of Finance. The lease and the payments for the lease commenced December 15, 2010.

The estimated value of the leased building at the inception of the leases, net of accumulated depreciation, amounted to \$49,629,630. The related remaining obligations under the capital leases which amounted to \$54,330,000 at June 30, 2015 are included in the capital assets and long-term liabilities balances in the government-wide financial statements. The original cost of the leased building was \$60,000,000 and accumulated depreciation as of June 30, 2015 is \$10,370,370.

The annual requirements to amortize the lease obligation at June 30, 2015 are as follows:

<u>Years Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2016	\$1,285,000	\$ 2,766,156	\$4,051,156
2017	1,355,000	2,692,269	4,047,269
2018	1,435,000	2,614,356	4,049,356
2019	1,490,000	2,556,956	4,046,956
2020	1,565,000	2,482,456	4,047,456
2021-2025	9,225,000	11,020,781	20,245,781
2026-2030	11,815,000	8,434,969	20,249,969
2031-2035	15,140,000	5,107,088	20,247,088
2036-2038	<u>11,020,000</u>	<u>1,120,000</u>	<u>12,140,000</u>
	<u>\$54,330,000</u>	<u>\$38,795,031</u>	<u>\$93,125,031</u>

The annual Capital Lease amount paid for FY15 in FY15 was \$4,051,019 of which \$1,215,000 was for principal payment and \$2,836,019 in interest which is due for payment one twelfth each month by the 15th of the month.

	Balance at June 30, 2014	Additions	Deletions	Balance at June 30, 2015
Capital lease	<u>\$ 55,545,000</u>	<u>\$ -</u>	<u>\$1,215,000</u>	<u>\$54,330,000</u>

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NOTE 12. FUND BALANCE

Found in the fund balance section of the general fund, the non-spendable amount of \$2,469,265 at June 30, 2015 was reserved for inventory, petty cash and prepaid expenses. The restricted balance of \$3,436,915 is comprised of the Developmental Disabilities Support Program of \$3,401,124 and the balance of \$35,791 for the State of Utah Carryover Grant funds. Other fund balance restrictions in non-major funds total \$4,065,953.

NOTE 13. REVERSIONS

The following appropriations were included as reversion expenditures for fiscal year 2015:

Laws of 2014, Ch. 63, Section 4, Fund 06100	\$	2,461,373
Laws of 2014, Ch. 63, Section 4, Fund 11415		126,249
Total State General Fund reversions	\$	<u>2,587,622</u>

In accordance with statute Section 6-5-10(A) NMSA 1978, all unreserved, undesignated fund balances in reverting funds and accounts as reflected in the central accounting system as of June 30 shall revert.

NOTE 14. FUNDS HELD IN TRUST BY OTHERS

The Department is an income beneficiary of a portion of the State Permanent Fund designated specifically for the Behavioral Health Institute in Las Vegas, and receives 2/7th of the income from investments in the State Permanent Fund derived from the Charitable, Penal and Reformatory Act. The trust principal is managed by the State Investment Council and, because the funds are not controlled by the Department, they are not reflected in the accompanying financial statements.

The fair value of the Department's interest in the State Permanent Fund at June 30, 2015, and the income received for the year follow:

	<u>Interest in Fund at June 30, 2015</u>	<u>Income Received in 2015</u>
State Permanent Fund:		
Behavioral Health Institute	\$47,899,067	\$2,421,417
Charitable, Penal and Reformatory Act:		
Behavioral Health Institute	\$17,146,152	\$ 760,614
Los Lunas Community Programs	\$17,146,152	\$ 760,614

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NOTE 15. RETIREMENT PLANS

Public Employees Retirement Association (PERA)

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 <http://www.pera.state.nm.us>.

Funding Policy

Plan members are required to contribute 8.92% of their gross salary if they earn over \$20,000 a year and 7.42% of their gross salary if they earn \$20,000 or less a year. The Department is required to contribute 16.59% of their gross covered salary. In fiscal year 2015, the Department will contribute 16.99% of the gross covered salary of employees. 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, 2015, 2014 and 2013 were \$22,566,085, \$20,647,034 and \$18,557,648, respectively, which equal the amount of the required contributions for each fiscal year.

All contributions withheld from participants by the Office have been paid to PERA who administers the plan.

Educational Retirement Board (ERB)

Plan Description

The Sequoyah Adolescent Treatment Center of the Department of Health's full-time employees participate in an educational employee retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978). The Educational Retirement Board (ERB) 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 (certified teachers, other employees of state public school districts, colleges and universities, and some state agency employees) and

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beneficiaries. ERB 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 ERB, P.O. Box 26129, Santa Fe, NM 87502. The report is also available on ERB's website at www.nmerb.org.

Funding Policy

Member Contributions

Plan members whose annual salary is \$20,000 or less are required by statute to contribute 7.09% of their gross salary. Plan members whose annual salary is over \$20,000 are required to make the following contributions to the Plan: 10.07% of their gross salary in fiscal year 2015 and thereafter.

Employer Contributions

The Department of Health contributed 13.09% of gross covered salary in fiscal year 2015.

The contribution requirements of plan members and the Department are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The Department's contributions to ERB for the fiscal years ending June 30, 2015, 2014, and 2013, were \$32,953, \$22,097, and \$13,138, respectively, which equal the amount of the required contributions for each fiscal year.

NOTE 16. DEFERRED COMPENSATION

The State of New Mexico offers state, local government and school district employees a deferred compensation plan created in accordance with the Internal Revenue Code, Section 457. The plan is available to all state employees and those local government and school district employees whose employers have elected to participate in the plan. The plan permits participants to defer a portion of their salary until future years.

The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are the property of the participant.

Employees of the Department are making contributions to the Deferred Compensation Plan. Neither the Office nor the State of New Mexico makes any contributions to the Deferred Compensation Plan.

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NOTE 17. POST-EMPLOYMENT BENEFITS

State Retiree Health Care Plan (RHCA)

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 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

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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 not members of an enhanced retirement plan during the fiscal year ended June 30, 2015, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The Department's contributions to the RHCA for the years ended June 30, 2015, 2014 and 2013 were \$2,656,866, \$2,497,005, and \$2,452,105, respectively, which equal the required contributions for each year.

NOTE 18. RISK MANAGEMENT

The Department is exposed to various risks of loss related to tort, theft of, damage to, or destruction of assets, errors or omissions, employer obligations and natural disasters for which the Department carries insurance (Workers Compensation, Unemployment Compensation, Employee Liability, Transportation Property and Bond Premium) with the State of New Mexico Risk Management Division (RMD) of the General Services Department. Insurance premiums are allocated to and paid by all budgeted activities within the general fund.

During the fiscal year ended June 30, 2015, the insurance premiums paid not including employee health insurance premiums to the Risk Management Division were \$7,393,029.

NOTE 19. SUBSEQUENT ACCOUNTING PRONOUNCEMENTS

GASB has issued the following statements, which are applicable in future years. At this time, management has not determined the impact, if any on the Department.

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Statement No. 72- *Fair Value Measurement and Application*

Effective Date: The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2015. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

Statement No. 73- *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*

Effective Date: The provisions in Statement 73 are effective for fiscal years beginning after June 15, 2015—except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for fiscal years beginning after June 15, 2016.

The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement 68 for pension plans and pensions that are within their respective scopes.

The requirements of this Statement extend the approach to accounting and financial reporting established in Statement 68 to all pensions, with modifications as necessary to reflect that for accounting and financial reporting purposes, any assets accumulated for pensions that are provided through pension plans that are not administered through trusts that meet the criteria specified in Statement 68 should not be considered pension plan assets. It also requires that information similar to that

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required by Statement 68 be included in notes to financial statements and required supplementary information by all similarly situated employers and nonemployer contributing entities.

This Statement also clarifies the application of certain provisions of Statements 67 and 68 with regard to the following issues:

1. Information that is required to be presented as notes to the 10-year schedules of required supplementary information about investment-related factors that significantly affect trends in the amounts reported.
2. Accounting and financial reporting for separately financed specific liabilities of individual employers and nonemployer contributing entities for defined benefit pensions.
3. Timing of employer recognition of revenue for the support of nonemployer contributing entities *not* in a special funding situation.

Statement No. 74-Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans

Effective Date: The provisions in Statement 74 are effective for fiscal years beginning after June 15, 2016.

The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

This Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and Statement No. 50, *Pension Disclosures*.

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Statement No. 75 - Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions

This statement establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities.

The scope of this Statement includes OPEB plans—defined benefit and defined contribution—administered through trusts that meet the following criteria:

- Contributions from employers and nonemployer contributing entities to the OPEB plan and earnings on those contributions are irrevocable.
- OPEB plan assets are dedicated to providing OPEB to plan members in accordance with the benefit terms.
- OPEB plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the OPEB plan administrator. If the plan is a defined benefit OPEB plan, plan assets also are legally protected from creditors of the plan members.

This Statement also includes requirements to address financial reporting for assets accumulated for purposes of providing defined benefit OPEB through OPEB plans that are *not* administered through trusts that meet the specified criteria.

Statement No. 76 - The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments

Effective Date: The provisions in Statement 76 are effective for reporting periods beginning after June 15, 2015. Earlier application is encouraged.

The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015, and should be applied retroactively. Earlier application is permitted.

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NOTE 20. CONTINGENCIES

The Department, as a State Agency defined in the New Mexico Tort Claims Act, is insured through the Risk Management Division of the General Services Department of the State of New Mexico. The Office of Risk Management Division pays annual premiums for coverage provided in the following areas:

- Liability and civil rights protection for claims made by others against the State of New Mexico;
- Coverage to protect the State of New Mexico's property and assets; and
- Fringe benefit coverage for State of New Mexico employees.

In the case of civil actions or claims against the Department for financial damages, the Department's certificate of insurance with Risk Management does not cover civil rights claims for back wages but does cover civil rights claims for other compensatory damages.

The Department is involved in several pending legal matters. Although the possibility of loss exists in some of these cases, any potential loss is likely to be covered by insurance (through Risk Management Division) and accordingly a loss is not recorded. In the opinion of the Department's management and in-house legal counsel, the ultimate resolution of the above matters will not have a material adverse impact on the financial position or results of operations of the Department.

SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
COMBINING BALANCE SHEET - BY FUND TYPE
NON - MAJOR GOVERNMENTAL FUNDS
As of June 30, 2015

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	Special Revenue Funds						Total Special Revenue Funds
	Medical Cannabis Program Fund 11415	County Supported Medicaid Fund 21900	Trauma System Fund 25700	Save our Children's Sight Fund 26100	Emergency Medical Services Fund 75600	Birthing Workforce Retention Fund 95800	
ASSETS:							
Investment in SGFIP	\$ 998,772	\$ 2,745,639	\$ 1,389,778	\$ 291,993	\$ 440,052	\$ 90,800	\$ 5,957,034
Due from other funds	-	-	-	-	15,437	-	15,437
Due from other state agencies	-	402,599	-	-	-	-	402,599
TOTAL ASSETS	\$ 998,772	\$ 3,148,238	\$ 1,389,778	\$ 291,993	\$ 455,489	\$ 90,800	\$ 6,375,070
LIABILITIES:							
Accounts payable	\$ 24,425	\$ 196,219	\$ 1,066,525	\$ -	\$ 9,520	\$ -	\$ 1,296,689
Accrued payroll	6,779	-	1,794	-	2,350	-	10,923
Cash Overdraft	-	-	-	-	-	-	-
Due to state general fund	126,249	-	-	-	-	-	126,249
Due to other funds	10,619	-	2,643	-	-	-	13,262
Due to other state agencies	-	-	-	-	-	-	-
Due to Local governments	-	-	-	-	-	-	-
Due to Beneficiaries	-	-	31,294	-	-	-	31,294
Other liabilities	830,700	-	-	-	-	-	830,700
Unearned revenue	-	-	-	-	-	-	-
TOTAL LIABILITIES	998,772	196,219	1,102,256	-	11,870	-	2,309,117
FUND BALANCES:							
Restricted	-	2,952,019	287,522	291,993	443,619	90,800	4,065,953
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	-	2,952,019	287,522	291,993	443,619	90,800	4,065,953
TOTAL LIABILITIES AND FUND BALANCES	\$ 998,772	\$ 3,148,238	\$ 1,389,778	\$ 291,993	\$ 455,489	\$ 90,800	\$ 6,375,070

See Notes to Financial Statements

STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
COMBINING BALANCE SHEET - BY FUND TYPE
NON - MAJOR GOVERNMENTAL FUNDS
As of June 30, 2015

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	Capital Project Funds				
	Capital Projects Fund 05900	Severance Tax Bond Fund 89200	Capital Lease Bond Fund 20480	Total Capital Project Funds	Total Non-Major Funds
ASSETS:					
Investment in SGFIP	\$ -	\$ -	\$ -	\$ -	\$ 5,957,034
Due from other funds	-	1,134	-	1,134	16,571
Due from other state agencies	-	63,433	-	63,433	466,032
TOTAL ASSETS	\$ -	\$ 64,567	\$ -	\$ 64,567	\$ 6,439,637
LIABILITIES:					
Accounts payable	\$ -	\$ 54,725	\$ -	\$ 54,725	\$ 1,351,414
Accrued payroll	-	-	-	-	10,923
Cash Overdraft	-	9,842	-	9,842	9,842
Due to state general fund	-	-	-	-	126,249
Due to other funds	-	-	-	-	13,262
Due to other state agencies	-	-	-	-	-
Due to Local governments	-	-	-	-	-
Due to Beneficiaries	-	-	-	-	31,294
Other liabilities	-	-	-	-	830,700
Unearned revenue	-	-	-	-	-
TOTAL LIABILITIES	-	64,567	-	64,567	2,373,684
FUND BALANCES:					
Restricted	-	-	-	-	4,065,953
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	-	-	-	-	4,065,953
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ 64,567	\$ -	\$ 64,567	\$ 6,439,637

See Notes to Financial Statements

STATE OF NEW MEXICO
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COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY FUND TYPE
NON - MAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2015

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	Special Revenue						Total Special Revenue Funds
	Medical Cannabis Program Fund 11415	County-Supported Medicaid Fund 21900	Trauma System Fund 25700	Save our Children's Sight Fund 26100	Emergency Medical Services Fund 75600	Birthing Workforce Retention Fund 95800	
REVENUES:							
<i>Fees, penalties, rentals and other</i>	\$ 880,382	\$ -	\$ -	\$ -	\$ 85,647	\$ -	\$ 966,029
TOTAL REVENUES	880,382	-	-	-	85,647	-	966,029
EXPENDITURES:							
<i>Current operating:</i>							
Administration	-	-	-	-	-	-	-
Public Health	-	2,757,951	-	-	-	-	2,757,951
Facilities Management	-	-	-	-	-	-	-
Epidemiology and response	-	-	3,937,255	-	3,297,293	-	7,234,548
Other health initiatives	753,372	-	-	-	-	-	753,372
Capital lease principal payment	-	-	-	-	-	-	-
Capital lease interest payment	-	-	-	-	-	-	-
Capital outlay	761	-	-	-	-	-	761
TOTAL EXPENDITURES	754,133	2,757,951	3,937,255	-	3,297,293	-	10,746,632
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	126,249	(2,757,951)	(3,937,255)	-	(3,211,646)	-	(9,780,603)
OTHER FINANCING SOURCES (USES):							
General fund appropriations	-	-	3,935,400	-	3,064,700	31,300	7,031,400
County-supported Medicaid	-	2,675,392	-	-	-	-	2,675,392
Severance Tax/GOB appropriation	-	-	-	-	-	-	-
Reversion - FY2015 - transfers out	(126,249)	-	-	-	-	-	(126,249)
Inter-agency transfers, in	-	-	-	55,928	-	-	55,928
Inter-agency transfers, out	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES AND USES	(126,249)	2,675,392	3,935,400	55,928	3,064,700	31,300	9,636,471
NET CHANGE IN FUND BALANCES	-	(82,559)	(1,855)	55,928	(146,946)	31,300	(144,132)
FUND BALANCES, BEGINNING OF YEAR	-	3,034,578	289,377	236,065	590,565	59,500	4,210,085
FUND BALANCES, END OF YEAR	\$ -	\$ 2,952,019	\$ 287,522	\$ 291,993	\$ 443,619	\$ 90,800	\$ 4,065,953

STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY FUND TYPE
NON - MAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2015

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	Capital Projects				Total Non-Major Funds
	Capital Projects Fund 05900	Severance Tax Bond Fund 89200	Capital Lease Bond Fund 20480	Total Capital Project Funds	
REVENUES:					
<i>Fees, penalties, rentals and other</i>	\$ -	\$ -	\$ -	\$ -	\$ 966,029
TOTAL REVENUES	-	-	-	-	966,029
EXPENDITURES:					
<i>Current operating:</i>					
Administration	-	-	-	-	-
Public Health	-	-	-	-	2,757,951
Facilities Management	-	19,154	-	19,154	19,154
Epidemiology and response	-	-	-	-	7,234,548
Other health initiatives	-	-	-	-	753,372
Capital lease principal payment	-	-	1,215,000	1,215,000	1,215,000
Capital lease interest payment	-	-	2,835,000	2,835,000	2,835,000
Capital outlay	-	44,279	-	44,279	45,040
TOTAL EXPENDITURES	-	63,433	4,050,000	4,113,433	14,860,065
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(63,433)	(4,050,000)	(4,113,433)	(13,894,036)
OTHER FINANCING SOURCES (USES):					
General fund appropriations	-	-	4,050,000	4,050,000	11,081,400
County-supported Medicaid	-	-	-	-	2,675,392
Severance Tax/GOB appropriation	-	63,433	-	63,433	63,433
Reversion - FY2015 - transfers out	-	-	-	-	(126,249)
Inter-agency transfers, in	-	-	-	-	55,928
Inter-agency transfers, out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES AND USES	-	63,433	4,050,000	4,113,433	13,749,904
NET CHANGE IN FUND BALANCES	-	-	-	-	(144,132)
FUND BALANCES, BEGINNING OF YEAR	-	-	-	-	4,210,085
FUND BALANCES, END OF YEAR	\$ -	\$ -	\$ -	\$ -	\$ 4,065,953

See Notes to Financial Statements

STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
STATEMENT OF REVENUES AND EXPENDITURES
OTHER NON-MAJOR GOVERNMENTAL FUNDS
BUDGET AND ACTUAL (MODIFIED ACCRUAL BUDGETARY GAAP BASIS)
Year Ended June 30, 2015

MEDICAL CANNABIS FUND 11415				
	Budgeted Amounts		Amounts (Budgetary Basis)	Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Federal funds	\$ -	\$ -	\$ -	\$ -
State General Fund Appropriation	-	-	-	-
Other state funds	777,300	911,354	880,382	(30,972)
Inter-agency transfers	-	-	-	-
TOTAL REVENUES	\$ 777,300	\$ 911,354	\$ 880,382	\$ (30,972)
EXPENDITURES - current:				
Personal services and employee benefits	\$ 603,700	\$ 613,700	\$ 598,570	\$ 15,130
Contractual services	90,100	134,154	88,694	45,460
Other	83,500	163,500	66,869	96,631
Other financing uses	-	-	-	-
TOTAL EXPENDITURES	\$ 777,300	\$ 911,354	754,133	\$ 157,221
EXCESS OF REVENUES OVER EXPENDITURES			126,249	
REVERSIONS (NOT BUDGETED)			126,249	
NET CHANGE IN FUND BALANCE			\$ -	

See Notes to Financial Statements

STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
STATEMENT OF REVENUES AND EXPENDITURES
OTHER NON-MAJOR GOVERNMENTAL FUNDS
BUDGET AND ACTUAL (MODIFIED ACCRUAL BUDGETARY GAAP BASIS)
Year Ended June 30, 2015

	COUNTY-SUPPORTED MEDICAID FUND 21900			
	Budgeted Amounts		Amounts (Budgetary Basis)	Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Federal funds	\$ -	\$ -	\$ -	\$ -
State General Fund Appropriation	-	-	-	-
Other state funds	-	-	-	-
Inter-agency transfers	2,800,000	2,800,000	2,675,392	(124,608)
TOTAL REVENUES	\$ 2,800,000	\$ 2,800,000	\$ 2,675,392	\$ (124,608)
EXPENDITURES - current:				
Personal services and employee benefits	\$ 69,500	\$ 69,500	\$ 69,464	\$ 36
Contractual services	2,730,500	2,730,500	2,688,487	42,013
Other	-	-	-	-
Other financing uses	-	-	-	-
TOTAL EXPENDITURES	\$ 2,800,000	\$ 2,800,000	2,757,951	\$ 42,049
DEFICIENCY OF REVENUES OVER EXPENDITURES			(82,559)	
NET CHANGE IN FUND BALANCE			\$ (82,559)	

See Notes to Financial Statements

STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
STATEMENT OF REVENUES AND EXPENDITURES
OTHER NON-MAJOR GOVERNMENTAL FUNDS
BUDGET AND ACTUAL (MODIFIED ACCRUAL BUDGETARY GAAP BASIS)
Year Ended June 30, 2015

TRAUMA SYSTEM FUND 25700				
	Budgeted Amounts		Amounts (Budgetary Basis)	Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Federal funds	\$ -	\$ -	\$ -	\$ -
State General Fund Appropriation	3,935,400	3,935,400	3,935,400	-
Other state funds	-	243,002	-	(243,002)
Inter-agency transfers	-	-	-	-
TOTAL REVENUES	\$ 3,935,400	\$ 4,178,402	\$ 3,935,400	\$ (243,002)
 EXPENDITURES - current:				
Personal services and employee benefits	\$ 152,000	\$ 152,000	\$ 137,493	\$ 14,507
Contractual services	135,200	135,200	99,219	35,981
Other	3,648,200	3,891,202	3,700,543	190,659
Other financing uses	-	-	-	-
TOTAL EXPENDITURES	\$ 3,935,400	\$ 4,178,402	3,937,255	241,147
 DEFICIENCY OF REVENUES OVER EXPENDITURES			(1,855)	
 NET CHANGE IN FUND BALANCE			\$ (1,855)	

See Notes to Financial Statements

STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
STATEMENT OF REVENUES AND EXPENDITURES
OTHER NON-MAJOR GOVERNMENTAL FUNDS
BUDGET AND ACTUAL (MODIFIED ACCRUAL BUDGETARY GAAP BASIS)
Year Ended June 30, 2015

SAVE OUR CHILDREN'S SIGHT FUND 26100				
	Budgeted Amounts		Amounts (Budgetary Basis)	Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Federal funds	\$ -	\$ -	\$ -	\$ -
State General Fund Appropriation	-	-	-	-
Other state funds	-	-	-	-
Inter-agency transfers	-	-	55,928	55,928
TOTAL REVENUES	\$ -	\$ -	\$ 55,928	\$ 55,928
EXPENDITURES - current:				
Personal services and employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	-	-	-	-
Other financing uses	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	-	-
EXCESS OF REVENUES OVER EXPENDITURES			55,928	
NET CHANGE IN FUND BALANCE			\$ 55,928	

See Notes to Financial Statements

STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
STATEMENT OF REVENUES AND EXPENDITURES
OTHER NON-MAJOR GOVERNMENTAL FUNDS
BUDGET AND ACTUAL (MODIFIED ACCRUAL BUDGETARY GAAP BASIS)
Year Ended June 30, 2015

	EMERGENCY MEDICAL SERVICES FUND 75600			
	Budgeted Amounts		Amounts (Budgetary Basis)	Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Federal funds	\$ -	\$ -	\$ -	\$ -
State General Fund Appropriation	3,064,700	3,064,700	3,064,700	-
Other state funds	250,000	250,000	85,647	(164,353)
Inter-agency transfers	-	-	-	-
TOTAL REVENUES	\$ 3,314,700	\$ 3,314,700	\$ 3,150,347	\$ (164,353)
EXPENDITURES - current:				
Personal services and employee benefits	\$ 190,000	\$ 190,000	\$ 189,999	\$ 1
Contractual services	69,200	69,200	69,100	100
Other	3,055,500	3,055,500	3,038,194	17,306
Other financing uses	-	-	-	-
TOTAL EXPENDITURES	\$ 3,314,700	\$ 3,314,700	3,297,293	\$ 17,407
DEFICIENCY OF REVENUES OVER EXPENDITURES			(146,946)	
NET CHANGE IN FUND BALANCE			\$ (146,946)	

See Notes to Financial Statements

STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
STATEMENT OF REVENUES AND EXPENDITURES
OTHER NON-MAJOR GOVERNMENTAL FUNDS
BUDGET AND ACTUAL (MODIFIED ACCRUAL BUDGETARY GAAP BASIS)
Year Ended June 30, 2015

BIRTHING WORKFORCE RETENTIONS FUND 95800				
	<u>Budgeted Amounts</u>		Amounts (Budgetary Basis)	Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Federal funds	\$ -	\$ -	\$ -	\$ -
State General Fund Appropriation	31,300	31,300	31,300	-
Other state funds	-	-	-	-
Inter-agency transfers	-	-	-	-
TOTAL REVENUES	<u>\$ 31,300</u>	<u>\$ 31,300</u>	<u>\$ 31,300</u>	<u>\$ -</u>
EXPENDITURES - current:				
Personal services and employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	31,300	31,300	-	31,300
Other	-	-	-	-
Other financing uses	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 31,300</u>	<u>\$ 31,300</u>	<u>-</u>	<u>\$ 31,300</u>
EXCESS OF REVENUES OVER EXPENDITURES			<u>31,300</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 31,300</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
STATEMENT OF REVENUES AND EXPENDITURES
OTHER NON-MAJOR CAPITAL PROJECTS FUNDS
BUDGET AND ACTUAL (MODIFIED ACCRUAL BUDGETARY GAAP BASIS)
Year Ended June 30, 2015

CAPITAL PROJECTS FUND 05900					
Budgeted Amounts					
	Life-to-Date Budgeted Amounts to FY 2015	FY 2015 Original Carry Forward	FY 2015 Final Carry Forward plus additions	Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
REVENUES:					
Severance tax / GOB bond proceeds	\$ -	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	-	-	-
Inter-agency transfers	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES - current & capital outlay:					
Personal services and employee benefits	\$ -	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-	-
Other	-	-	-	-	-
Other financing uses	-	-	-	-	-
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ -
EXCESS OF REVENUES OVER EXPENDITURES					-
REVERSIONS NOT BUDGETED					-
NET CHANGE IN FUND BALANCE				\$ -	

See Notes to Financial Statements

STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
STATEMENT OF REVENUES AND EXPENDITURES
OTHER NON-MAJOR CAPITAL PROJECTS FUNDS
BUDGET AND ACTUAL (MODIFIED ACCRUAL BUDGETARY GAAP BASIS)
Year Ended June 30, 2015

	SEVERANCE TAX BONDS FUND 89200			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Life-to-Date Budgeted Amounts to FY 2015	FY 2015 Original Carry Forward		
REVENUES:				
Federal funds	\$ -	\$ -	\$ -	\$ -
State general fund appropriation	-	-	-	-
Other state funds	-	-	-	-
Severance tax bonds	900,000	65,870	63,433	(2,437)
Inter-agency transfers	-	-	-	-
TOTAL REVENUES	\$ 900,000	\$ 65,870	\$ 63,433	\$ (2,437)
EXPENDITURES - current:				
Personal services and employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	900,000	65,870	63,433	2,437
Other financing uses	-	-	-	-
TOTAL EXPENDITURES	\$ 900,000	\$ 65,870	\$ 63,433	\$ 2,437
DEFICIENCY OF REVENUES OVER EXPENDITURES			-	
NET CHANGE IN FUND BALANCE			\$ -	

See Notes to Financial Statements

STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
STATEMENT OF REVENUES AND EXPENDITURES
OTHER NON-MAJOR CAPITAL PROJECTS FUNDS
BUDGET AND ACTUAL (MODIFIED ACCRUAL BUDGETARY GAAP BASIS)
Year Ended June 30, 2015

	CAPITAL LEASE FUND 20480			
	Budgeted Amounts		Amounts (Budgetary Basis)	Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Federal funds	\$ -	\$ -	\$ -	\$ -
General fund	4,050,000	4,050,000	4,050,000	-
Other state funds	-	-	-	-
Inter-agency transfers	-	-	-	-
TOTAL REVENUES	\$ 4,050,000	\$ 4,050,000	\$ 4,050,000	\$ -
EXPENDITURES - current:				
Personal services and employee benefits	\$ -	\$ -	\$ -	\$ -
Contractual services	-	-	-	-
Other	4,050,000	4,050,000	4,050,000	-
Other financing uses	-	-	-	-
TOTAL EXPENDITURES	\$ 4,050,000	\$ 4,050,000	4,050,000	\$ -
EXCESS OF REVENUES OVER EXPENDITURES				-
REVERSIONS (NOT BUDGETED)				-
NET CHANGE IN FUND BALANCE			\$ -	

See Notes to Financial Statements

STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
STATEMENT OF REVENUES AND EXPENDITURES
COMBINING FUNDS BY PROGRAM
BUDGET AND ACTUAL (MODIFIED ACCRUAL BUDGETARY GAAP BASIS)
Year Ended June 30, 2015

	PROGRAM P001 - ADMINISTRATION			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Federal funds	\$ 6,260,500	\$ 8,248,285	\$ 7,105,297	\$ (1,142,988)
State General fund Appropriation	12,367,000	12,367,000	12,367,000	-
Other state funds	56,100	299,102	89,200	(209,902)
Inter-agency transfers	603,500	603,500	782,818	179,318
TOTAL REVENUES	\$ 19,287,100	\$ 21,517,887	\$ 20,344,315	\$ (1,173,572)
EXPENDITURES - current:				
Personal services and employee benefits	\$ 9,989,600	\$ 11,227,979	\$ 10,929,717	\$ 298,262
Contractual services	4,331,600	4,565,951	4,158,410	407,541
Other	4,965,900	5,723,957	5,270,249	453,708
Other financing uses	-	-	-	-
TOTAL EXPENDITURES	\$ 19,287,100	\$ 21,517,887	20,358,376	\$ 1,159,511
DEFICIENCY OF REVENUES OVER EXPENDITURES			(14,061)	
REVERSIONS (NOT BUDGETED)			111,152	
NET CHANGE IN FUND BALANCE			\$ (125,213)	

See Notes to Financial Statements

STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
STATEMENT OF REVENUES AND EXPENDITURES
COMBINING FUNDS BY PROGRAM
BUDGET AND ACTUAL (MODIFIED ACCRUAL BUDGETARY GAAP BASIS)
Year Ended June 30, 2015

	PROGRAM P002 - PUBLIC HEALTH			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Federal funds	\$ 74,907,000	\$ 74,907,000	\$ 63,306,397	(11,600,603)
State General fund Appropriation	65,307,600	65,307,600	65,307,600	-
Other state funds	32,321,200	33,921,200	29,590,778	(4,330,422)
Inter-agency transfers	13,002,500	13,002,500	12,682,358	(320,142)
TOTAL REVENUES	185,538,300	187,138,300	170,887,133	(16,251,167)
Budgeted Fund Balance	25,000	25,000	-	(25,000)
TOTAL REVENUES AND FUND BALANCE BUDGETED	\$ 185,563,300	\$ 187,163,300	\$ 170,887,133	\$ (16,276,167)
EXPENDITURES - current:				
Personal services and employee benefits	\$ 51,078,800	\$ 54,003,800	\$ 52,078,398	\$ 1,925,402
Contractual services	47,325,500	47,737,096	43,438,835	4,298,261
Other	86,609,300	84,872,704	73,020,073	11,852,631
Other financing uses	549,700	549,700	480,300	69,400
TOTAL EXPENDITURES	\$ 185,563,300	\$ 187,163,300	169,017,606	\$ 18,145,694
EXCESS OF REVENUES OVER EXPENDITURES			1,869,527	
REVERSIONS (NOT BUDGETED)			2,505,986	
NET CHANGE IN FUND BALANCE			\$ (636,459)	

See Notes to Financial Statements

STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
STATEMENT OF REVENUES AND EXPENDITURES
COMBINING FUNDS BY PROGRAM
BUDGET AND ACTUAL (MODIFIED ACCRUAL BUDGETARY GAAP BASIS)
Year Ended June 30, 2015

PROGRAM P003 - EPIDEMIOLOGY AND RESPONSE				
	<u>Budgeted Amounts</u>		Amounts (Budgetary Basis)	Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Federal funds	\$ 12,747,300	\$ 12,825,170	\$ 10,622,488	\$ (2,202,682)
State General fund Appropriation	8,517,000	8,517,000	8,517,000	-
Other state funds	1,502,200	1,651,020	1,484,383	(166,637)
Inter-agency transfers	439,800	618,300	429,585	(188,715)
TOTAL REVENUES	<u>23,206,300</u>	<u>23,611,490</u>	<u>21,053,456</u>	<u>(2,558,034)</u>
Budgeted fund balance	-	-	-	-
TOTAL REVENUES AND FUND BALANCE BUDGETED	<u>\$ 23,206,300</u>	<u>\$ 23,611,490</u>	<u>\$ 21,053,456</u>	<u>\$ (2,558,034)</u>
EXPENDITURES - current:				
Personal services and employee benefits	\$ 12,490,500	\$ 12,765,615	\$ 11,751,651	\$ 1,013,964
Contractual services	4,225,200	4,303,000	3,293,157	1,009,843
Other	6,490,600	6,542,875	5,802,054	740,821
Other financing uses	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 23,206,300</u>	<u>\$ 23,611,490</u>	<u>20,846,862</u>	<u>\$ 2,764,628</u>
EXCESS OF REVENUES OVER EXPENDITURES			206,594	
REVERSIONS (NOT BUDGETED)			<u>353,552</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (146,958)</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
STATEMENT OF REVENUES AND EXPENDITURES
COMBINING FUNDS BY PROGRAM
BUDGET AND ACTUAL (MODIFIED ACCRUAL BUDGETARY GAAP BASIS)
Year Ended June 30, 2015

PROGRAM P004 - LABORATORY SERVICES				
	Budgeted Amounts		Amounts (Budgetary Basis)	Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Federal funds	\$ 2,138,700	\$ 2,358,812	\$ 2,220,467	\$ (138,345)
State General fund Appropriation	8,482,500	8,482,500	8,482,500	-
Other state funds	2,531,300	2,531,300	2,385,248	(146,052)
Inter-agency transfers	-	88,250	-	(88,250)
TOTAL REVENUES	\$ 13,152,500	\$ 13,460,862	\$ 13,088,215	\$ (372,647)
EXPENDITURES - current:				
Personal services and employee benefits	\$ 8,175,700	\$ 8,326,722	\$ 8,297,110	\$ 29,612
Contractual services	190,400	265,400	228,966	36,434
Other	4,786,400	4,868,740	4,573,431	295,309
Other financing uses	-	-	-	-
TOTAL EXPENDITURES	\$ 13,152,500	\$ 13,460,862	13,099,507	\$ 361,355
DEFICIENCY OF REVENUES OVER EXPENDITURES			(11,292)	
REVERSIONS (NOT BUDGETED)			(41,430)	
NET CHANGE IN FUND BALANCE			\$ 30,138	

See Notes to Financial Statements

STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
STATEMENT OF REVENUES AND EXPENDITURES
COMBINING FUNDS BY PROGRAM
BUDGET AND ACTUAL (MODIFIED ACCRUAL BUDGETARY GAAP BASIS)
Year Ended June 30, 2015

	PROGRAM P006 -FACILITIES MANAGEMENT			
	<u>Budgeted Amounts</u>		Amounts (Budgetary Basis)	Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Federal funds	\$ -	\$ -	\$ -	\$ -
State General fund Appropriation	59,712,400	63,722,100	63,722,100	-
Other state funds	76,560,500	78,361,400	75,270,305	(3,091,095)
Other financing sources	-	-	-	-
Severance tax bonds	65,870	65,870	63,433	(2,437)
Inter-agency transfers	716,000	716,000	715,957	(43)
TOTAL REVENUES	\$ 137,054,770	\$ 142,865,370	\$ 139,771,795	\$ (3,093,575)
EXPENDITURES - current:				
Personal services and employee benefits	\$ 103,346,600	\$ 104,389,033	\$ 106,865,474	\$ (2,476,441)
Contractual services	10,679,000	14,270,867	13,548,931	721,936
Other	18,979,170	20,155,470	19,545,351	610,119
Other financing uses	-	-	-	-
Capital Lease Principal Payments	1,215,000	1,215,000	1,215,000	-
Capital Lease Interest Payments	2,835,000	2,835,000	2,835,000	-
TOTAL EXPENDITURES	\$ 137,054,770	\$ 142,865,370	144,009,756	\$ (1,144,386)
DEFICIENCY OF REVENUES OVER EXPENDITURES			(4,237,961)	
REVERSIONS (NOT BUDGETED)			(3,942,864)	
NET CHANGE IN FUND BALANCE			\$ (295,097)	

See Notes to Financial Statements

STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
STATEMENT OF REVENUES AND EXPENDITURES
COMBINING FUNDS BY PROGRAM
BUDGET AND ACTUAL (MODIFIED ACCRUAL BUDGETARY GAAP BASIS)
Year Ended June 30, 2015

PROGRAM P007 - DEVELOPMENT DISABILITIES SUPPORT SERVICES

	<u>Budgeted Amounts</u>		<u>Amounts (Budgetary Basis)</u>	<u>Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Federal funds	\$ 2,820,400	\$ 2,820,400	\$ 2,689,063	\$ (131,337)
State General fund Appropriation	148,908,000	148,908,000	148,908,000	-
Other state funds	1,200,000	1,600,000	1,266,783	(333,217)
Inter-agency transfers	10,030,300	10,030,300	8,127,547	(1,902,753)
TOTAL REVENUES	<u>\$ 162,958,700</u>	<u>\$ 163,358,700</u>	<u>\$ 160,991,393</u>	<u>\$ (2,367,307)</u>
EXPENDITURES - current:				
Personal services and employee benefits	\$ 12,080,600	\$ 12,080,600	\$ 12,053,997	\$ 26,603
Contractual services	16,875,600	17,025,600	13,843,036	3,182,564
Other	22,567,800	22,817,800	21,201,073	1,616,727
Other financing uses	111,434,700	111,434,700	108,033,572	3,401,128
TOTAL EXPENDITURES	<u>\$ 162,958,700</u>	<u>\$ 163,358,700</u>	<u>155,131,678</u>	<u>\$ 8,227,022</u>
 EXCESS OF REVENUES OVER EXPENDITURES			5,859,715	
 REVERSIONS (NOT BUDGETED)			2,458,720	
 NET CHANGE IN FUND BALANCE			<u>\$ 3,400,995</u>	

See Notes to financial Statements

STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
STATEMENT OF REVENUES AND EXPENDITURES -
COMBINING FUNDS BY PROGRAM
BUDGET AND ACTUAL (MODIFIED ACCRUAL BUDGETARY GAAP BASIS)
Year Ended June 30, 2015

	PROGRAM P008 - DIVISION OF HEALTH IMPROVEMENT			
	<u>Budgeted Amounts</u>		Amounts (Budgetary Basis)	Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Federal funds	\$ 2,428,100	\$ 2,681,725	\$ 2,393,949	\$ (287,776)
State General fund Appropriation	4,676,500	4,676,500	4,676,500	-
Other state funds	2,350,800	2,350,800	1,990,753	(360,047)
Inter-agency transfers	3,659,100	3,659,100	3,517,095	(142,005)
TOTAL REVENUES	<u>\$ 13,114,500</u>	<u>\$ 13,368,125</u>	<u>\$ 12,578,297</u>	<u>\$ (789,828)</u>
EXPENDITURES - current:				
Personal services and employee benefits	\$ 10,193,100	\$ 10,125,426	\$ 9,642,184	\$ 483,242
Contractual services	486,300	825,812	412,992	412,820
Other	2,435,100	2,416,887	1,506,867	910,020
Other financing uses	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 13,114,500</u>	<u>\$ 13,368,125</u>	<u>11,562,043</u>	<u>\$ 1,806,082</u>
EXCESS OF REVENUES OVER EXPENDITURES			1,016,254	
REVERSIONS (NOT BUDGETED)			<u>1,016,257</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (3)</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
STATEMENT OF REVENUES AND EXPENDITURES -
COMBINING FUNDS BY PROGRAM
BUDGET AND ACTUAL (MODIFIED ACCRUAL BUDGETARY GAAP BASIS)
Year Ended June 30, 2015

	PROGRAM P787 - Medical Cannabis			
	Budgeted Amounts		Amounts (Budgetary Basis)	Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Federal funds	\$ -	\$ -	\$ -	\$ -
State General fund Appropriation	-	-	-	-
Other state funds	777,300	911,354	880,382	(30,972)
Inter-agency transfers	-	-	-	-
TOTAL REVENUES	\$ 777,300	\$ 911,354	\$ 880,382	\$ (30,972)
EXPENDITURES - current:				
Personal services and employee benefits	\$ 603,700	\$ 613,700	\$ 598,570	\$ 15,130
Contractual services	90,100	134,154	88,694	45,460
Other	83,500	163,500	66,869	96,631
Other financing uses	-	-	-	-
TOTAL EXPENDITURES	\$ 777,300	\$ 911,354	754,133	\$ 157,221
EXCESS OF REVENUES OVER EXPENDITURES			126,249	
REVERSIONS (NOT BUDGETED)			126,249	
NET CHANGE IN FUND BALANCE			\$ -	

See Notes to Financial Statements

STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
STATEMENT OF REVENUES AND EXPENDITURES
COMBINING FUNDS BY PROGRAM
BUDGET AND ACTUAL (MODIFIED ACCRUAL BUDGETARY GAAP BASIS)
Year Ended June 30, 2015

	Special Appropriations			
	Budgeted Amounts		Amounts (Budgetary Basis)	Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Federal funds	\$ -	\$ -	\$ -	\$ -
State General fund Appropriation	-	4,000,000	4,000,000	-
Other state funds	-	-	-	-
Inter-agency transfers	-	-	-	-
TOTAL REVENUES	-	4,000,000	4,000,000	-
Budgeted Fund Balance	25,000	25,000	-	(25,000)
TOTAL REVENUES AND FUND BALANCE BUDGETED	<u>\$ 25,000</u>	<u>\$ 4,025,000</u>	<u>\$ 4,000,000</u>	<u>\$ (25,000)</u>
EXPENDITURES - current:				
Personal services and employee benefits	\$ -	\$ 4,000,000	4,000,000	\$ -
Contractual services	25,000	25,000	25,000	-
Other	-	-	-	-
Other financing uses	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 25,000</u>	<u>\$ 4,025,000</u>	<u>4,025,000</u>	<u>\$ -</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES			(25,000)	
REVERSIONS (NOT BUDGETED)			-	
NET CHANGE IN FUND BALANCE			<u>\$ (25,000)</u>	

This special appropriation is included in Program 7 Budget and Actual (Modified Accrual Budgetary GAAP Basis) as well.

See Notes to Financial Statements

**OTHER SUPPLEMENTARY INFORMATION
SCHEDULES REQUIRED UNDER 2.2.2 NMAC**

STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
SUPPLEMENTARY SCHEDULE OF INDIVIDUAL DEPOSITS
As of June 30, 2015

Schedule 1

Account Title	Depository	Balance per Bank	Reconciling Items	Reconciled Balance per Books
Petty Cash Accounts by Region (cash accounts - 104900):				
Program 1		\$ 250	\$ -	\$ 250
Program 2		2,148	657	2,805
Program 3		300	150	450
Program 4		300	-	300
Program 6		5,216	(1,276)	3,940
Program 7		500	100	600
Program 8		400	-	400
Total Petty Cash Accounts by Region		<u>9,114</u>	<u>(369)</u>	<u>8,745</u>
Other Cash Account still in SHARE		-	(25)	(25)
Childrens Medical Services Bank Accounts (checking accounts - 102900):				
Alamogordo	First National Bank of Alamogordo	600	-	600
Artesia	Wells Fargo Bank	242	133	375
Carlsbad	Carlsbad National Bank	800	-	800
Clovis	NM Bank & Trust - Clovis	723	(123)	600
Deming	Wells Fargo Bank	1,000	-	1,000
Dona Ana County	Wells Fargo Bank	1,150	-	1,150
Hobbs	Wells Fargo Bank	802	(2)	800
Las Cruces Regional Office	Wells Fargo Bank	700	-	700
Rio Arriba	Valley National Bank, Espanola	500	-	500
Roswell	Wells Fargo Bank	1,030	(30)	1,000
San Miguel	Southwest Capital Bank	581	(81)	500
Santa Fe	Wells Fargo Bank	576	(76)	500
Silver City	Wells Fargo Bank	600	-	600
Sunland	Wells Fargo Bank	600	-	600
Taos	US Bank	400	-	400
Tucumcari	Wells Fargo Bank	600	-	600
Total Childrens Medical Services		<u>10,904</u>	<u>(179)</u>	<u>10,725</u>

See Auditors' Report.

STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
SUPPLEMENTARY SCHEDULE OF INDIVIDUAL DEPOSITS
As of June 30, 2015

Schedule 1

Account Title	Depository	Balance per Bank	Reconciling Items	Reconciled Balance per Books
The Title X/Family Planning Depository Clearing (checking accounts - 102900):				
<i>*DOH CLOSED Five (5) of the remaining Ten (10) Title X/Family Planning Accounts in 2014.</i>				
Clayton	Farmers' and Stockmen's Bank, Clayton	100	-	100
Ft. Sumner	Citizens Bank of Clovis, Ft. Sumner	100	-	100
Lordsburg	Western Bank, Lordsburg	100	-	100
Roswell	Wells Fargo Bank <i>CLOSED 7/1/13</i>	-	72	72
T or C	Bank of the Southwest, T or C	265	-	265
Taos	US Bank	114	-	114
Total Title X/Family Planning		679	72	751
District Health Office Totals		11,583	(107)	11,476
General Fund Bank Accounts (checking accounts):				
NMBHI-Revolving	Community 1st Bank	363,755	-	363,755
FBMC	Bank of America	-	(500)	(500)
Turquoise Lodge	Bank of the West	-	-	-
NMSVH	Bank of the Southwest, T or C	478,073	-	478,073
Total General Fund Bank Accounts		841,828	(500)	841,328
Total General Fund, including District Health Offices (Not including Petty Cash)		853,411	(632)	852,779

See Auditors' Report.

STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
SUPPLEMENTARY SCHEDULE OF INDIVIDUAL DEPOSITS
As of June 30, 2015

Schedule 1

Account Title	Depository	Balance per Bank	Reconciling Items	Reconciled Balance per Books
Investment in State General Fund Investment Pool (SGFIP) - State Treasurer (with SHARE Fund numbers):				
Capital Project - 059	State Treasurer	-	-	-
Operating Fund - 061	State Treasurer	7,793,022	-	7,793,022
Medical Cannabis - 114	State Treasurer	998,772	-	998,772
FBMC Lease - 2048	State Treasurer	-	-	-
CMS Fund - 219	State Treasurer	2,745,639	-	2,745,639
Trauma Fund - 257	State Treasurer	1,389,778	-	1,389,778
Save Our Children - 261	State Treasurer	291,993	-	291,993
EMS - 756	State Treasurer	440,052	-	440,052
ARRA - 890	State Treasurer	46	-	46
STB 892	State Treasurer	(9,842)	-	(9,842)
Birthing Workforce - 958	State Treasurer	90,800	-	90,800
Total SGFIP - State Treasurer - 101800/101900		13,740,260	-	13,740,260
Total Governmental funds (not including petty cash)		14,593,671	(632)	14,593,039
Trust and Agency Funds - Banks (checking accounts):				
NMBHI - Pt. Burial	Southwest Capital Bank	41,810	-	41,810
NMBHI - Canteens	Southwest Capital Bank	66,548	-	66,548
NMBHI - Pt. Demand (Trust)	Southwest Capital Bank	448,737	-	448,737
NMBHI-Foster Grandparent	Southwest Capital Bank	16,017	-	16,017
FBMC - Pt. Burial	Wells Fargo Bank	20,534	-	20,534
FBMC - Pt. Demand (Trust)	Wells Fargo Bank	90,240	75,448	165,688
FBMC - Special	Wells Fargo Bank	10,298	(235)	10,063
LLCP - SSA Beneficiaries	Wells Fargo Bank of NM - Los Lunas	20,300	-	20,300
LLCP - Managed Care	Wells Fargo Bank of NM - Los Lunas	7,344	-	7,344
LLCP - Pt. Demand (Trust)	Wells Fargo Bank of NM - Los Lunas	109	-	109
NMSVH - Pt. Burial	Bank of the Southwest, T or C	15,158	-	15,158
NMSVH - Canteens	Bank of the Southwest, T or C	30,686	-	30,686
NMSVH - Pt. Demand (Trust)	Bank of the Southwest, T or C	331,780	-	331,780
Sequoyah - Pt. Demand (Trust)	Bank of America - Albuquerque	3,427	-	3,427
Total Trust and Agency Funds - Banks		1,102,988	75,213	1,178,201
Vital Statistics Depository Clearing (checking accounts):				
Clayton	Farmers & Stockmens	200	-	200
Taos	US Bank	92	8	100
Total Vital Statistics Depository Clearing		292	8	300
Birth & Death - 502	State Treasurer - 101800	314,975	-	314,975
Total Trust and Agency and Vital Depository Funds		1,418,255	75,221	1,493,476
Department Total - all Funds, Not including Petty Cash		\$ 16,011,926	\$ 74,589	\$ 16,086,515

See Auditors' Report.

STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
SUPPLEMENTARY SCHEDULE OF PLEDGED COLLATERAL
As of June 30, 2015

Schedule 2

	Community 1st Bank	Southwest Capital Bank	Wells Fargo Bank	Bank of the Southwest, T or C	Other Banks	Accounts at State Treasurer	Total
Total amount of deposit	\$ 363,755	\$ 573,693	\$ 156,127	\$ 855,962	\$ 7,156	\$ 14,055,235	\$ 16,011,928
Less FDIC	(250,000)	(250,000)	(156,127)	(250,000)	(7,156)	-	(913,283)
Total uninsured public money	113,755	323,693	-	605,962	-	14,055,235	15,098,645
50% collateral requirement	56,878	161,846	-	302,981	-	7,027,618	7,549,323
State Agency Collateral Listing:			A			B	A&B
Bonds:							
1 GNMA II Pool, CUSIP#3622CU46 GNMA II Pool#008420,				18,860			18,860
1 CUSIP#36202KK95 GNMA II Pool#080470,				37,445			37,445
1 CUSIP#36225CQY5 GNMA II Pool#080509,				16,380			16,380
1 CUSIP#36225CR73 FNMA Pool#086794,				29,701			29,701
1 CUSIP#31363ENK7 FNMA Pool#557072,				9,268			9,268
1 CUSIP#31385Y2D6 GNMA II Pool#080443,				27,502			27,502
1 CUSIP#36225CR59 FNMA Pool#089416,				18,002			18,002
1 CUSIP#31363HK56 FNMA Pool#091962,				6,695			6,695
1 CUSIP#31363LFBO GNMA II Pool#080150,				6,241			6,241
1 CUSIP#36225CEY8				13,363			13,363
1 FHLB LOC#2704000094				300,000			300,000
FHLB 1.50% Bond maturity date 1 1/30/23, CUSIP#313381TD7		2,250,000					2,250,000
FHLB 2.80% Bond maturity date 2 3/14/25, CUSIP#313382DM2		1,000,000					1,000,000
FHLMC 4.00% Bond maturity date 1 10/01/26, CUSIP#3128MDAT0		159,023					159,023
FNMA 3.50% Bond maturity date 1 4/01/27, CUSIP#3138EH5K4		1,337,343					1,337,343
FNMA 3.50% Bond maturity date 1 1/01/28, CUSIP#3138EKMM4		1,364,736					1,364,736
GNMA I Pool#783556, 1 CUSIP#36241L5R3	412,819						412,819
Total pledged	412,819	6,111,102	-	483,457	-	-	7,007,378
Over (under) pledged	\$ 355,941	\$ 5,949,256	A	\$ 180,476	\$ -	B	\$ 6,485,673

A: Collateral for the balance is provided by the collateral pledged to the New Mexico State Treasurer to secure state deposits in accordance with 6-10-17 NMSA 1978. Detail of pledged collateral to this agency is unavailable because the bank commingles pledged collateral for all state funds it holds. However, the State Treasurer's Office of Collateral Bureau monitors pledged collateral for all state funds held by state agencies in such "authorized" bank accounts.

B: This amount is held at the Office of the State Treasurer and is detailed in the report of the Office of the State Treasurer, whose audit is covered by a separate report. Detail specific for the collateral is commingled by the Office of the State Treasurer, and they monitor the adequacy of the funds pledged for collateral to ensure they are fully covered as required by the Laws of the State of New Mexico and related statutes.

1. Custodian: Federal Home Loan Bank, Dallas: Collateral is in the name of New Mexico State Treasurer

The deposits are fully secured since they are in the name of the New Mexico State Treasurer and are held at a separate depository institution that is not affiliated with the depository institution.

STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
SUPPLEMENTARY SCHEDULE OF JOINT POWERS AGREEMENTS
as of JUNE 30, 2015

JPA #	Participants	Description of Activity	Beginning Date of Agreement	End Date of Agreement	Total Estimated Amount of Agreement	Portion of Amount from DOH	Amount DOH Contributed in FY 15	Participant Responsible for Audit	Fiscal Agent	Agency Reporting Revenues and Expenditures
99.665.6800.0020	Department of Health (DOH) School for the Visually Handicapped (NMSVH)	To support and coordinate services to children under 4 who have a vision loss and their families.	7/1/2004	Ongoing	60,000	60,000	-	DOH, SVH	SVH	SVH
JPA 95-29	Human Services Department (HSD) Department of Health (DOH)	For Service Coordination, Early Intervention Developmental Services, Early Intervention Therapy Services.	6/1/1995	Ongoing	5,000,000	5,000,000	-	HSD, DOH	Not Stated	HS, DOH
04.665.4200.0185	Department of Health (DOH) Sandoval County (SC)	For Sandoval County - DOH will provide health services to Sandoval County residents.	9/8/2003	Ongoing	700,010	300,010	-	SCC	Not Stated	SCC, DOH
04.665.4200.0504	Department of Health (DOH) San Miguel County (SMC)	For San Miguel County - DOH will provide health services to San Miguel County residents.	6/1/2004	Ongoing	50,000	50,000	-	SMC	Not Stated	DOH, SMC
04.665.1100.0019	Department of Health (DOH) Department of Transportation (DOT)	For Coordinated Transportation Services in Valencia County.	6/17/2004	Ongoing	5,000	5,000	-	DOT	DOT	DOT
01.665.6800.0260	Department of Health (DOH) New Mexico School for the Deaf (NMSD)	To support and coordinate services to children and their families under four who have hearing losses.	7/1/2005	Ongoing	50,760	50,760	-	DOH/SFD	SFD	SFD
05.665.0100.0014	Department of Health (DOH) Lincoln County (LC)	For Lincoln County - DOH will provide health services to Lincoln County residents.	9/24/2004	Ongoing	20,000	20,000	-	DOH, LC	DOH, LC	DOH, LC
05.665.0100.0008	Department of Health (DOH) Socorro County (SC)	For Socorro County - DOH will provide health services to Socorro County residents.	9/21/2004	Ongoing	20,000	20,000	-	DOH, SC	DOH, SC	DOH, SC
04.665.4200.0311A1	Department of Health (DOH) Village of Hatch (Hatch)	For the Village of Hatch - DOH will provide health services to Village of Hatch residents.	11/14/2003	12/31/2033	429,800	429,800	-	DOH, VH	DOH, VH	DOH, VH

See Auditors' Report

STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
SUPPLEMENTARY SCHEDULE OF JOINT POWERS AGREEMENTS
as of JUNE 30, 2015

JPA #	Participants	Description of Activity	Beginning Date of Agreement	End Date of Agreement	Total Estimated Amount of Agreement	Portion of Amount from DOH	Amount DOH Contributed in FY 15	Participant Responsible for Audit	Fiscal Agent	Agency Reporting Revenues and Expenditures
0630.8114.03.37 (JPA 03-37)	Human Services Department (HSD) Department of Health (DOH)	To designate the administrative, fiscal and programmatic responsibilities for the operations of the Home and Community Based Waiver Program.	10/14/2003	-	-	-	-	DOH,HSD	HSD	DOH,HSD
				AIDS WAIVER	96,400	96,400				
				MEDICAID WAIVER	69,075,593	69,075,593				
06.665.0100.0029	Department of Health (DOH) State Agency on Aging (SAA) (Aging & Long Term Services Dep't (ALTS))	To review all fiscal matters and record and review all complaints and requests for services for persons living with HIV and AIDS statewide.	5/3/2006	Ongoing	50,000	50,000		AA, DOH	AA, DOH	AA, DOH
JPA 82-14	New Mexico Human Services Department New Mexico Department of Health	For Medicare and Medicaid Programs; Preadmission Screening and Annual Resident Review.**HSD SENDS MEDICAID MONEY TO DOH, NO TRANSFER FROM DOH TO HSD	5/27/1994	Ongoing	-	-	-	HSD	Not Stated	DOH,HSD
96/665.42.344 (#96-22)	New Mexico Human Services Department New Mexico Department of Health	To establish responsibilities for certification of health care facilities and the nurse aide training and competency evaluation program as required under the Medicaid Program.	2/8/1996	Ongoing	-	-	-	HSD/DOH	Not Stated	HSD/DOH
11-630-8000-0008		Medicaid reimbursements for services provided by DOH at its facilities, clinics, and public health offices and laboratories.	8/4/2010	6/30/2015	-	-	-	Not Stated	Not Stated	Not Stated
05/665/0200/0008	New Mexico Department of Health (DOH) New Mexico Human Services (HSD)	Provide funds to the Medical Assistance Division (MAD) to support Federally Qualified Health Centers	4/25/2005	Ongoing	500,000	500,000	-	Not Stated	Not Stated	Not Stated
11-665-0200-0001	New Mexico Department of Health (DOH) New Mexico Human Services (HSD)	Coordination between DOH and HSD to gather data related to compulsive gambling	7/26/2011	Ongoing	-	-	-	Not Stated	Not Stated	Not Stated

**STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
SUPPLEMENTARY SCHEDULE OF MEMORANDUM OF AGREEMENTS
as of JUNE 30, 2015**

MOA#	Participants	Description of Activity	Beginning Date of Agreement	End Date of Agreement	Total Estimated Amount of Agreement	Portion of Amount from DOH	Amount DOH Contributed in FY15	Participant Responsible for Audit	Fiscal Agent	Agency Reporting Revenues and Expenditures.
15.17409	Guadalupe County	Provide primary health care services.	4/24/2014	6/30/2015	\$ 139,000.00	\$ 139,000.00		DOH/PHD	PHD	PHD
15.17411	Quay County	Provide primary healthcare services.	4/24/2014	6/30/2015	\$ 133,600.00	\$ 133,600.00		DOH/PHD	PHD	PHD
15.15934	Horizons Of New Mexico	Provide Landscaping and ground maintenance services	7/1/2014	6/30/2015	\$ 6,869.40	\$ 6,869.40		DOH/ASD	ASD	ASD
15.17617	Tularosa, Village Of	Public health Services	7/1/2014	6/30/2015	\$ -	\$ -		DOH/PHD	PHD	PHD
15.17615	Columbus, Village Of	Public Health Services	5/14/2014	6/30/2015	\$ -	\$ -		DOH/PHD	PHD	PHD
15.18268	New Mexico State University	Provide water quality information.	1/5/2015	6/30/2015	\$ 75,000.00	\$ 75,000.00		DOH/PHD	PHD	PHD
15.18137	New Mexico State University	Air quality Contract.		6/30/2015	\$ 100,000.00	\$ 100,000.00		DOH/PHD	PHD	PHD
15.HER	Horizons Of New Mexico	Administer the national core indicators	11/15/2014	6/30/2015		\$ 109,380.19		DOH/DDSD	DDSD	DDSD
FY15 NMSD	New Mexico School For The Deaf	Provide early childhood education to deaf and hard of hearing children.	1/27/2015	6/30/2015	\$ 25,000.00	\$ 25,000.00		DOH/DDSD	DDSD	DDSD
15.665.0300.18104	New Mexico State University	Contractor will work with asthma program to provide asthma training.	10/28/2014	8/31/2015	\$ 15,000.00	\$ 15,000.00		DOH/EPI	EPI	EPI
15.18181	Rio Rancho, City Of	Participation in cities readiness initiative planning drills and functional exercises for emergency preparedness.	11/18/2014	6/30/2015	\$ 5,894.00	\$ 5,894.00		DOH/EPI	EPI	EPI
15.18182	Sandoval, County Of	Participation in cities readiness initiative CRI Planning drills and functional exercises for emergency preparedness	11/18/2014	6/30/2015	\$ 19,500.00	\$ 19,500.00		DOH/EPI	EPI	EPI
15.18183	Torrance, County Of	Participation in Cities Readiness Initiative planning drills and functional exercises for emergency preparedness.	11/18/2014	6/30/2015	\$ 12,000.00	\$ 12,000.00		DOH/EPI	EPI	EPI
15/665.0300.18185	Valencia County	Participation in the Cities Readiness Initiative (CRI)	1/15/2015	6/30/2015	\$ 16,000.00	\$ 16,000.00		DOH/EPI	EPI	EPI
15/665.0300.18180	County of Bernalillo	Participation in the Cities Readiness Initiative (CRI)	1/15/2015	6/30/2015	\$ 20,500.00	\$ 20,500.00		DOH/EPI	EPI	EPI
15/665.0300.18179	City of Albuquerque	Participation in the Cities Readiness Initiative (CRI)	1/15/2015	6/30/2015	\$ 52,000.00	\$ 52,000.00		DOH/EPI	EPI	EPI
15.18104 A1	New Mexico State University	Conduct lead poisoning awareness and prevention campaigns in at risk communities		6/30/2015	\$ 67,465.00	\$ 52,465.00		DOH/EPI	EPI	EPI
15.18104	New Mexico State University	work with asthma program to provide asthma training		6/30/2015	\$ 15,000.00	\$ 15,000.00		DOH/EPI	EPI	EPI
EGIMC072015A1	Gallup Indian Medical Center	To maintain, re-verify, or develop into a Trauma Center, attend mandatory meetings and submit trauma registry data.	7/1/2015	6/30/2015	\$ 272,691.00	\$ 272,691.00		DOH/EPI	EPI	EPI
15.17739	Miner's Colfax Medical Center	Provide pathology services	7/1/2014	6/30/2015	\$ 8,000.00	\$ 8,000.00		DOH/NMBHI	NMBHI	NMBHI
15.17739 A1	Miner's Colfax Medical Center	Provide pathology services	7/1/2014	6/30/2015	\$ (2,000.00)	\$ (2,000.00)		DOH/NMBHI	NMBHI	NMBHI
15.17465	Roosevelt, County Of	Provide Janitorial Duties	5/1/2014	6/30/2015	\$ 12,000.00	\$ 12,000.00		DOH/PHD	PHD	PHD
15.17464	Torrance County	Provide a teen outreach program TOP as an in or out of school teen pregnancy program that targets 12 to 17 year old youth	5/1/2014	6/30/2015	\$ 25,000.00	\$ 25,000.00		DOH/PHD	PHD	PHD
15.17463	West Las Vegas School District	Provide Teen outreach program	5/1/2014	6/30/2014		\$ 21,500.00		DOH/PHD	PHD	PHD
15.17449	Jemez, Pueblo Of	Prevent Youth Obesity	7/1/2014	6/30/2015	\$ 13,500.00	\$ 13,500.00		DOH/PHD	PHD	PHD
15.17442	Santa Fe Public Schools	Provide Tobacco free school resource development	7/1/2014	6/30/2015	\$ 172,700.00	\$ 172,700.00		DOH/PHD	PHD	PHD
15.17462	Wyoming, University Of	Provide DOH with guidance and technical expertise on evaluation of the CDC	7/1/2013	6/30/2015	\$ 50,000.00	\$ 50,000.00		DOH/PHD	PHD	PHD
15.17451	Ramah Navajo School Board INC	Prevent Youth obesity and type 2 diabetes	7/1/2014	6/30/2015	\$ 13,500.00	\$ 13,500.00		DOH/PHD	PHD	PHD
15.17446	New Mexico State University	Provide Master Trainer Services	7/1/2014	6/30/2015	\$ 10,000.00	\$ 10,000.00		DOH/PHD	PHD	PHD
15.17410	Luna, County OF	Provide provision of primary health care services in underserved areas of New Mexico	4/24/2014	6/30/2015		\$ 71,600.00		DOH/PHD	PHD	PHD
15.17447	Albuquerque, City Of	Provide Master trainer services	7/1/2014	6/30/2015	\$ 10,000.00	\$ 10,000.00		DOH/PHD	PHD	PHD
15.17536	Central New Mexico Community College	Provide evidence based screening	7/1/2014	6/30/2015	\$ 1,100.00	\$ 1,100.00		DOH/PHD	PHD	PHD
15.17445	Luna Community College	Provide master trainer services	7/1/2014	6/30/2015	\$ 5,000.00	\$ 5,000.00		DOH/PHD	PHD	PHD
15.17448	New Mexico State University	Provide kitchen creations cooking schools for people with diabetes.	7/1/2013	6/30/2015	\$ 137,000.00	\$ 137,000.00		DOH/PHD	PHD	PHD
15.17413	Logan, Village Of	Provide primary care services in underserved areas of New Mexico.	4/24/2014	6/30/2015	\$ 103,700.00	\$ 103,700.00		DOH/PHD	PHD	PHD
15.17412	Torrance, County Of	Provide Primary Healthcare services.	4/24/2014	6/30/2015	\$ 117,600.00	\$ 117,600.00		DOH/PHD	PHD	PHD

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STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
SUPPLEMENTARY SCHEDULE OF MEMORANDUM OF AGREEMENTS
as of JUNE 30, 2015

MOA#	Participants	Description of Activity	Beginning Date of Agreement	End Date of Agreement	Total Estimated Amount of Agreement	Portion of Amount from DOH	Amount DOH Contributed in FY15	Participant Responsible for Audit	Fiscal Agent	Agency Reporting Revenues and Expenditures.
15.17443	Wyoming, University	Provide evaluation services.	7/1/2014	6/30/2015	\$ 320,000.00	\$ 320,000.00		DOH/PHD	PHD	PHD
15.17461	Luna, County Of	Provide Teen outreach program	7/1/2014	6/30/2015	\$ 150,000.00	\$ 124,500.00		DOH/PHD	PHD	PHD
15.17450	Santa Ana Pueblo	Prevent youth Obesity and type 2 diabetes	7/1/2014	6/30/2015	\$ 13,500.00	\$ 13,500.00		DOH/PHD	PHD	PHD
15.17466	Quay, County	Provide Janitorial services.	5/1/2014	6/30/2015	\$ 9,180.00	\$ 9,180.00		DOH/PHD	PHD	PHD
15.17574	Las Cruces Public Schools	Provide outreach services at high schools	7/1/2014	6/30/2015	\$ -	\$ -		DOH/PHD	PHD	PHD
15.17754	New Mexico State University	Provide training and education	7/1/2014	6/30/2015	\$ 25,650.00	\$ 25,650.00		DOH/PHD	PHD	PHD
15.17573	Dona Ana County Of	Provide public health services	7/1/2014	6/30/2015	\$ -	\$ -		DOH/PHD	PHD	PHD
15.17444	Albuquerque Public Schools	Provide DOH statewide BMI Surveillance	7/1/2014	6/30/2015	\$ -	\$ -		DOH/PHD	PHD	PHD
15.17523	Oregon State Public Health Laboratory	Contractor Shall Provide analytical laboratory screening services testing for genetic disorders on newborn blood sample specimens. term	7/1/2014	6/30/2015		\$ 2,039,000.00		DOH/PHD	PHD	PHD
15.17843	Rio Arriba, County	Janitorial services for Rio Arriba health commons northeast region.	7/1/2014	6/30/2015	\$ 18,205.00	\$ 18,205.00		DOH/PHD	PHD	PHD
15.17616	Mescalero Apache Tribe	Public Health Services	7/1/2014	6/30/2015	\$ -	\$ -		DOH/PHD	PHD	PHD
15.16931 A1	New Mexico State University	Organize and conduct four networking meetings with health and human services stakeholder.	8/19/2014	9/15/2014	\$ 52,000.00	\$ -		DOH/PHD	PHD	PHD
15.17945	Mckinley County Of	Support healthy kids NM initiative	7/25/2014	9/28/2015	\$ 18,750.00	\$ 18,750.00		DOH/PHD	PHD	PHD
15.18002	DHS PHS Navajo Area Indian	Provide screening and diagnostic services for breast and cervical cancer.	8/14/2014	6/30/2015	\$ 100,000.00	\$ 100,000.00		DOH/PHD	PHD	PHD
15.18011	Albuquerque Public Schools	Provide High quality public health services that are culturally sensitive and age appropriate to the students at rfk with the intention of maximizing student health safety and success in school.		6/30/2015	\$ -	\$ -		DOH/PHD	PHD	PHD
15.17955	Santa Fe Public Schools	The entity shall implement positive youth development activities for santa fe public schools.		6/30/2015	\$ 22,100.00	\$ 22,100.00		DOH/PHD	PHD	PHD
15.17821	Pueblo De San Felipe	Provide integrated primary and behavioral health care through a school based health center	7/1/2014	6/30/2015	\$ 15.18	\$ 47,500.00		DOH/PHD	PHD	PHD
15.17791	Navajo Preparatory School	Provide suicide prevention services at Navajo Preparatory school.	7/1/2014	6/30/2015	\$ 38,000.00	\$ 38,000.00		DOH/PHD	PHD	PHD
15.18012	City Of Las Cruces	Theahy kids healthy communities initiative in the city of Las Cruces to expand opportunities for active living and increased physical activity for children.	8/21/2014	9/28/2015	\$ 25,000.00	\$ 6,250.00		DOH/PHD	PHD	PHD
15.18096	Central Region educational cooperativ	Provide adequately furnished space to allow the WIC program to provide WIC services to include services	9/30/2014	6/30/2015	\$ -	\$ -		DOH/PHD	PHD	PHD
15.17930	New Mexico State University	MOA with NMSU for coordination of the abstinence education grant for the period of 10/1/2014 6/30/2015	10/1/2014	6/30/2015		\$ 302,265.00		DOH/PHD	PHD	PHD
15.18013	Pueblo de San Ildefonso	Support healthy kids health communities in the pueblo de san ildefonso to expand opportunities for healthy eating and active living	8/21/2014	9/27/2015	\$ 60,000.00	\$ 15,000.00		DOH/PHD	PHD	PHD
15.18040	Socorro, City Of	Healthy Kids Healthy Communities in Socorro County to expand opportunities for healthy eating and active living for children	9/5/2014	9/28/2015	\$ 40,000.00	\$ 10,000.00		DOH/PHD	PHD	PHD
15.17822	Eastern New Mexico University-Roswo	The Entity Shall Provide integrated primary and behavioral health care through school based health centers.	7/1/2014	6/30/2015	\$ 200,177.14	\$ 200,177.14		DOH/PHD	PHD	PHD
15.17445	Luna Comunity College	The contractor shall provide t trainer and master trainer support services	6/3/2014	6/30/2015	\$ 5,000.00	\$ 5,000.00		DOH/PHD	PHD	PHD
15.17955	Santa Fe Public Schools	Implement Positive Youth development activities for santa fe public schools.	7/1/2014	6/30/2015	\$ 22,100.00	\$ 22,100.00		DOH/PHD	PHD	PHD
15.18124	Kirtland AFB Family Support	Wic Services	10/17/2014	6/30/2015	\$ -	\$ -		DOH/PHD	PHD	PHD

STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
SUPPLEMENTARY SCHEDULE OF MEMORANDUM OF AGREEMENTS
as of JUNE 30, 2015

MOA#	Participants	Description of Activity	Beginning Date of Agreement	End Date of Agreement	Total Estimated Amount of Agreement	Portion of Amount from DOH	Amount DOH Contributed in FY15	Participant Responsible for Audit	Fiscal Agent	Agency Reporting Revenues and Expenditures.
15.18102	Luna, County Of	Support health kids healthy communities in luna county to expand opportunities for healthy eating and active living for children.	10/2/2014	9/28/2015		\$ 18,750.00		DOH/PHD	PHD	PHD
15.18047	Tucumcari public schools	Provide support to the Tucumcari public schools to implement the diabetes self management education collaborative project.	9/12/2014	6/30/2015	\$ 10,000.00	\$ 10,000.00		DOH/PHD	PHD	PHD
15.18117	Santo Domingo Tribe	Entity shall implement a teen outreach program in santo domingo Tribe.	11/1/2014	6/30/2015	\$ 25,000.00	\$ 25,000.00		DOH/PHD	PHD	PHD
15.18139	West Virginia University	Conduct assessment of needs for data management regarding health systems and reporting in NM for the work and performance measures of CD1305	1/27/2015	6/30/2015	\$ 40,000.00	\$ 40,000.00		DOH/PHD	PHD	PHD
15.17791	Navajo Preparatory school INC	Provide suicide prevention services at Navajo preparatory school.		6/30/2015	\$ 38,000.00	\$ 38,000.00		DOH/PHD	PHD	PHD
15.17447 A1	Albuquerque, City Of	provide T-Trainer and master trainer support services and subject matter expertise to local communities organizations and healthcare systems.		6/30/2015	\$ 60,225.00	\$ 60,225.00		DOH/PHD	PHD	PHD
15.18118	Navajo Preparatory School, INC	Entity shall implement a teen outreach program in Farmington area.		6/30/2015		\$ 19,333.33		DOH/PHD	PHD	PHD
15.18096	Central Region Educational Cooperative	The purpose of this agreement is to provide services at the mustang health center for mountain air high school.	1/7/2015	6/30/2015		\$ -		DOH/PHD	PHD	PHD
15.18224	Deming Public Schools	Support Healthy kids healthy communities initiative in Deming public school district to expand opportunities for healthy living and active living for children.	2/13/2015	6/30/2015	\$ 20,000.00	\$ 15,000.00		DOH/PHD	PHD	PHD
15.17822 A1	Eastern New Mexico University-Roswell	Provide integrated primary and behavioral health care through school based health centers.	3/16/2014	6/30/2015	\$ 205,577.14	\$ 205,577.14		DOH/PHD	PHD	PHD
15.17532	New Mexico Commission for the blind	Provide blind and visually impaired children birth to 18 years of age who have no funding options with assistive technology items.	3/16/2015	6/30/2015	\$ 80,000.00	\$ 80,000.00		DOH/PHD	PHD	PHD
15.18102	Luna, County Of	Support Healthy Kids New Mexico		6/30/2015	\$ 25,000.00	\$ 18,750.00		DOH/PHD	PHD	PHD
15.18002	Navajo Area Indian Health Service	Provider shall provide screening and diagnostic services for breast and cervical cancer.		6/30/2015	\$ 100,000.00	\$ 100,000.00		DOH/PHD	PHD	PHD
15.18014	Las Cruces Public Schools	Provide support to the healthy kids healthy communities initiative in Dona Ana county to expand opportunities for healthy eating and active living for children.		6/30/2015	\$ 35,000.00	\$ 26,250.00		DOH/PHD	PHD	PHD
15.18071	Miner's Colfax Medical Center	Provide assistance to management and systems analysis on the development needed to improve quality in both overall hospital services and hospital management.	11/26/2015	6/30/2015	\$ 8,084.00	\$ 8,084.00		DOH/PHD	PHD	PHD
15.18365	The Santa Fe and ACL Service Unit IHS-Albuquerque Area	Provide effective colorectal cancer screening, surveillance, diagnostic, and patient navigation services.	3/20/2015	6/29/2015	\$ 20,000.00	\$ 20,000.00		DOH/PHD	PHD	PHD
15.17652	Central Regional Educational Coop	Provide psychological education testing.	7/1/2014	6/30/2015	\$ 94,153.90	\$ 94,153.90		DOH/SATC	SATC	SATC
15.17068	Horizons Of New Mexico	Provide janitorial services	7/1/2014	6/30/2015	\$ 248,282.16	\$ 248,282.16		DOH/SLD	SLD	SLD

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**STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
SUPPLEMENTARY SCHEDULE OF DUE TO AND DUE FROM OTHER STATE AGENCIES
As of JUNE 30, 2015**

Agency		Agency		Agency		Amount	Reason
Business	Agency	Business	Agency	Business	Agency		
Unit	Fund	Agency Due From	Agency Due To	Unit	Fund		
66500	06100	Department of Health	Department of Finance & Administration	34101	85300	\$ 2,461,373	General Fund Reversion FY2015
66500	06100	Department of Health	Health Policy Commission	66900	0	2,700	Health projects
66500	06100	Department of Health	Human Services Department	63000	97600	70	Family Planning
66500	06100	Department of Health	Human Services Department	63000	97600	90,904	CMS Provider claims
66500	06100	Department of Health	Commission of Public Records	36900	37100	233	Vaccine Act Fund hearing
66500	06100	Department of Health	Environment Department	66700	06400	5,000	Dataset & Inventory Data
66500	06100	Department of Health	Human Services Department	63000	97600	790,034	NMRC -Medicaid Cost Payable
66500	06100	Department of Health	Board of Cosmetology	42000	43900	90	License
66500	06100	Department of Health	Human Services Department	63000	97600	16,882,199	DD Waiver/ MF Waiver/ FIT
66500	06100	Department of Health	Human Services Department	63000	97600	167,309	Medicaid Admin receipts
66500	06100	Department of Health	Division of Vocational Rehabilitation	64400	50000	14,864	Rehabilitation
66500	89000	Department of Health	Department of Finance & Administration	34101	85300	46	Stale dated warrants
66500	11415	Department of Health	Department of Finance & Administration	34101	85300	126,249	General Fund Reversion FY2015
Total Governmental Funds						20,541,071	
Agency Funds							
66500	50200	Department of Health	Department of Finance & Administration	34101	85300	104,830	Vital Records Trust Remittance
66500	50200	Department of Health	Children, Youth and Families Department	69000	91100	210,132	Vital Records Trust Remittance
Total Agency Funds						314,962	
TOTAL DUE TO OTHER STATE AGENCIES						<u><u>\$ 20,856,033</u></u>	
63000	05200	Human Services Department	Department of Health	66500	06100	\$ 8,910,380	Medicaid Waiver Administration & Other Programs
63000	97600	Human Services Department	Department of Health	66500	06100	30,419	Refugee Health Program
52100	19900	Energy, Minerals & Resources	Department of Health	66500	06100	8,817	Waste Isolation Pilot Program
77000	90700	Corrections Department	Department of Health	66500	06100	144	For services/programs
55000	21400	State Engineer	Department of Health	66500	06100	24,218	Leasing of space
67000	06500	Veterans' Service Commission	Department of Health	66500	06100	1,104	Leasing of space
21800	68700	Administrative Office of the Courts	Department of Health	66500	06100	39,977	For services/programs
21800	11600	Administrative Office of the Courts	Department of Health	66500	06100	600	For services/programs
66700	64000	Environment Department	Department of Health	66500	06100	174,460	For services/programs
79000	12800	Department of Public Safety	Department of Health	66500	06100	130	For services/programs
80500	10010	Department of Transportation	Department of Health	66500	06100	30,919	Traffic Safety
42000	46400	Regulation and Licensing	Department of Health	66500	06100	20,000	Licenses
33700	60100	State Investment Council	Department of Health	66500	06100	160,388	LGPF Distribution from State Investment Co.
34100	76100	Department of Finance & Administration	Department of Health	66500	06100	118,290	CP&R Land & Investment Income Distribution
92400	84400	Department of Public Education	Department of Health	66500	06100	390,346	Race to the top program
92400	67200	Department of Public Education	Department of Health	66500	06100	4,413	School lunch program
51600	19800	Game & Fish Department	Department of Health	66500	06100	1,413	Water testing
34100	56000	Department of Finance & Administration	Department of Health	66500	06100	50,000	Substance Abuse prevention
34100	02100	Department of Finance & Administration	Department of Health	66500	21900	402,599	CSMF Disbursement
34103	11720	Department of Finance & Administration	Department of Health	66500	89200	63,433	STB Draws
TOTAL DUE FROM OTHER STATE AGENCIES						<u><u>10,432,050</u></u>	

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STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
SUPPLEMENTARY SCHEDULE OF INTERGOVERNMENTAL RECEIVABLES AND PAYABLES
As of June 30, 2015

Schedule 6

Agency Due From	Agency Due To	Amount	Reason
Department of Health	NM School for the Blind and Visually Impaired	\$ 3,399	Professional Services
Department of Health	University of New Mexico (UNM) Hospital	1,620	Employee Training & Education
Department of Health	University of New Mexico (UNM) Hospital	15,986	Other Services
Department of Health	University of New Mexico (UNM) Hospital	6,000	Cleft Palette Clinic
Department of Health	University of New Mexico (UNM) Hospital	1,688	Sterilization for Tubal, Anesthesia & Hospital Services
Department of Health	University of New Mexico (UNM) Hospital	31,293	Trauma Services
Department of Health	UNM M & FP	21,799	Clinical Family Planning Services
TOTAL INTERGOVERNMENTAL PAYABLES		<u>\$ 81,785</u>	
UNM Hospital	Department of Health	\$ 28,332	Contract for Substance Abuse
UNM Hospital	Department of Health	7,410	Public Health Contract
TOTAL INTERGOVERNMENTAL RECEIVABLES		<u>\$ 35,742</u>	

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STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
SUPPLEMENTARY SCHEDULE OF AGENCIES' TRANSFERS IN AND TRANSFERS OUT
FOR THE YEAR ENDED JUNE 30, 2015

Schedule 7

INTERAGENCY TRANSFERS OUT:

<u>DOH</u> <u>FUND</u>	<u>AGENCY</u>	<u>OTHER</u> <u>AGENCIES'</u> <u>BUSINESS</u> <u>UNIT</u>	<u>OTHER</u> <u>AGENCIES'</u> <u>FUND</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
06100	Human Services Department	63000	97600	DDSD Waiver Services & Other Programs	\$ 108,513,872
06100	Commission for the Blind	60600	04700	Funding for technology devices - MOA 16314	80,000
06100	Department of Finance and Administration	34101	85300	Reversions	2,461,373
11415	Department of Finance and Administration	34101	85300	Reversions	126,249
Subtotal Reversions					2,587,622
TOTAL TRANSFERS OUT					\$ 111,181,494

INTERAGENCY TRANSFERS IN:

<u>DOH</u> <u>FUND</u>	<u>AGENCY</u>	<u>OTHER</u> <u>AGENCIES'</u> <u>BUSINESS</u> <u>UNIT</u>	<u>OTHER</u> <u>AGENCIES'</u> <u>FUND</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
06100	Department of Finance & Administration	34101	85300	General Fund Appropriations	\$ 298,966,000
20480	Department of Finance & Administration	34101	85300	Fort Bayard Medical Center Lease Payment	4,050,000
25700	Department of Finance & Administration	34101	85300	General Fund Appropriations	3,935,400
75600	Department of Finance & Administration	34101	85300	General Fund Appropriations	3,064,700
95800	Department of Finance & Administration	34101	85300	General Fund Appropriations	31,300
06100	Department of Finance & Administration	34101	85300	FY15 Compensation Distribution	1,933,300
Subtotal General Fund Appropriations					311,980,700
06100	Human Services Department	63000	05200	Children's Health Insurance Program	122,571
06100	Human Services Department	63000	05200	Developmental Disabilities Waiver Program	9,038,188
06100	Human Services Department	63000	05200	Resource Support and Eligibility	399,672
06100	Human Services Department	63000	05200	Preadmission Screening & Resident Review	331,796
06100	Human Services Department	63000	05200	Maternal and Child Health	153,898
06100	Human Services Department	63000	05200	Health Facility Licensing and Certification	1,860,306
06100	Human Services Department	63000	05200	Risk Assessment Monitoring System	806,429
06100	Human Services Department	63000	05200	Perinatal Case Management	251,739
06100	Human Services Department	63000	05200	School and Adolescent Health	237,048
06100	Human Services Department	63000	05200	School based Health Center	693,623
06100	Human Services Department	63000	05200	Youth Suicide Prevention	109,305
06100	Human Services Department	63000	05200	Refugee Health Programs	116,041
06100	Energy, Minerals & Natural Resources Dept.	52100	19900	Waste Isolation Pilot Program	105,089
06100	Public Education Department	92400	84400	Race to the Top	1,119,028
Subtotal Federal Reimbursements					15,344,733
06100	Human Services Department	63000	05200	Families First Program	72,011
06100	Human Services Department	63000	97600	Medicaid Admin & Other programs	703,118
06100	Taxation and Revenue Department	33300	82500	Breast Cancer Awareness	16,025
26100	Taxation and Revenue Department	33300	82500	Vision Screening Program	55,928
06100	Human Services Department	63000	97600	Substance Abuse Prevention	725,958
06100	Division of Vocational Rehabilitation	64400	50000	Rehabilitation Act	20,000
Subtotal Other transfers in					1,593,040
21900	Department of Finance & Administration	34101	02100	CSMF Distribution	2,675,392
89200	Department of Finance & Administration	34101	89200	Severance Tax Bonds	63,433
06100	Department of Finance & Administration	34101	69700	Tobacco Settlement Program	6,851,600
Total Transfers in (Other Financing Sources)					338,508,898
06100	State Land Office	53900	77700	Land Income Distribution - NMBHI	591,896
06100	State Investment Council	33700	60100	LGPF Distribution to Beneficiaries - NMBHI	1,829,521
06100	Department of Finance and Administration	34100	76100	CP&R Land Income Distribution - NMBHI	59,662
06100	Department of Finance and Administration	34100	76100	CP&R Land Income Distribution - LLCP	59,662
06100	State Investment Council	33700	10500	CP&R Investment Income Distribution - NMBHI	700,952
06100	State Investment Council	33700	10500	CP&R Investment Income Distribution - LLCP	700,952
Total Transfers In (Other accounts)					3,942,645
TOTAL TRANSFERS IN					\$ 342,451,543

This schedule was prepared on an accrual basis. Transfers out include accounts 555100 and 566100 with the exception of the Commission of the Blind which utilized account 547300. Transfers in include accounts 499105 through 499905 (other financing sources) with the exception of the State Land Office, State Investment Council and Department of Finance and Administration which utilized accounts 441201, 442101 and 442201. In addition during the fiscal year, the Department transferred capital assets with a net book value of \$838,376 to the State of New Mexico General Services Department. This transfer out of capital assets is recorded at the government-wide level financial statements on the Statement of Activities. More information on this transfer can be found in the Capital Asset Note 5.

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STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
SUPPLEMENTARY SCHEDULE OF SPECIAL APPROPRIATIONS
Year Ended June 30, 2015

Schedule 8

Description	Fund	Department	Reversion Date	Final Budget	Appropriation	Current Year Expenditures	Current Year Reversions/ Transfers	Balance as of June 30, 2015
Special Appropriation Laws of 2014, Ch. 63, Section 6 - § 64 Cancer Prevention, research and education.	06101	Z40564	6/30/2015	\$ 25,000	\$ 25,000	\$ 25,000	\$ -	\$ -
Special Appropriation Laws of 2015, Ch. 1, Section 3 - Supplemental appropriation	06101	Z50613	6/30/2015	4,000,000	4,000,000	4,000,000	-	-
				<u>\$ 4,025,000</u>	<u>\$ 4,025,000</u>	<u>\$ 4,025,000</u>	<u>\$ -</u>	<u>\$ -</u>

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STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
SUPPLEMENTARY SCHEDULE OF PROCUREMENT OVER \$60,000
as of JUNE 30, 2015 - UNAUDITED

RFB#/RFP#	Type of Procurement	Awarded Vendor	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Name and Physical Address of ALL Vendor(s) that responded	(A)	(B)	Brief Description of the Scope of Work
DDSD-14-01	RFP	AAA Participant Direction	110,446.54		AAA Participant Direction PO Box 8368, Albuquerque, NM 87198-8369	N	N	Services for individuals with Developmental Disabilities
20140919	RFP	Acumen for Fiscal Agent LLC	277,349.00		Acumen Fiscal Agent, LLC 4542 E Inverness Ave., Suite 210 Mesa, AZ 85206	N	N	Fiscal Management Services
20140919	RFP	Acumen for Fiscal Agent LLC		(58,300.00)	Acumen Fiscal Agent, LLC 4542 E Inverness Ave., Suite 210 Mesa, AZ 85207	N	N	Fiscal Management Services
20140919	RFP				PGP Public Partnerships, LLC 40 Broadway Street, 4th Floor Boston, MA 02109	N	N/A	Fiscal Management Services
20140919	RFP				Palco, Inc. PO Box 13280 Maumelle, AZ 72113	N	N/A	Fiscal Management Services
20140919	RFP				Parents Reaching Out to Help 1920 B Columbia Dr., SE Albuquerque, NM 87109	N	N/A	Fiscal Management Services
DDSD-13-01	RFP	Adelante Development Center	65,000.00		Adelante Development Center 3900 Osuna Road, NE Albuquerque NM 87109	N	N/A	Regional Training & Certification of Developmental Disabilities Trainers
DDSD-13-01	RFP				Tresco, Inc. PO Drawer 2469 Las Cruces, NM 88004	N	N/A	Regional Training & Certification of Developmental Disabilities Trainers
DDSD-13-01	RFP				Facilitating Change, LLC 613 Dakota, SE, Albuquerque NM 87108	N	N/A	Regional Training & Certification of Developmental Disabilities Trainers
DDSD-13-01	RFP	Alta Mira Specialized Family Services, Inc.	123,999.96		Alta Mira Specialized Family Services, Inc. 1605 Carlisle Blvd., NE, Albuquerque, NM 87110	N	N/A	Respite Services
DDSD-13-01	RFP				Abrazos Family Support Services PO Box 788 Bernalillo, NM 87004	N	N/A	Respite Services
DDSD-13-01	RFP					N	N/A	Respite Services
DDSD-13-01	RFP				CARC, Inc. PO Drawer 1808 Carlsbad, NM 88221	N	N/A	Respite Services
DDSD-13-01	RFP				Citizens for the Developmentally Disabled, Inc. PO Box 1589 Raton, NM 87740	N	N/A	Respite Services
DDSD-13-01	RFP				Door of Opportunity PO Box 208 Artesia, NM 88211	N	N/A	Respite Services
DDSD-13-01	RFP				Disability Services, Inc. PO Box 1296 Gallup, NM 87305	N	N/A	Respite Services
DDSD-13-01	RFP					N	N/A	Respite Services
DDSD-13-01	RFP				La Vida Felicidad, Inc. PO Box 2040, Los Lunas, NM 87031	N	N/A	Respite Services
DDSD-13-01	RFP				Las Cumbres Community Services 404 Hunter Street, Espanola, NM 87532	N	N/A	Respite Services
DDSD-13-01	RFP				Life Quest, Inc. 907 Pope Street Silver City, NM 88061	N	N/A	Respite Services
DDSD-13-01	RFP				Developmental Services Program, Region IX Education Cooperative 237 Service Road, Ruidoso, NM 88345	N	N/A	Respite Services
DDSD-13-01	RFP				Zia Therapy Center, Inc. 900 First Street, Alamogordo, NM 88310	N	N/A	Respite Services
DDSD-13-01	RFP				Tobosa Developmental Services 110 East Summit Albuquerque, NM 88201	N		Respite Services

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DDSD-13-01	RFP	Aprendamos	45,070.00			Y	N/A	Adaptive Skill Building for Children with Autism
DDSD-13-01	RFP	Aprendamos		56,640.00	Aprendamos Intervention Team, PA 301 Perkins, Suite B Las Cruces, NM 88005	Y	N/A	Adaptive Skill Building for Children with Autism
DDSD-13-01	RFP	Aprendamos		31,290.00		Y	N/A	Adaptive Skill Building for Children with Autism
DDSD-13-01	RFP	ENMRSH	21,420.00			N	N/A	Adaptive Skill Building for Children with Autism
DDSD-13-01	RFP	ENMRSH		55,470.00	ENMRSH, Inc. PO Box 1989 Clovis, NM 88101	N	N/A	Adaptive Skill Building for Children with Autism
DDSD-13-01	RFP	ENMRSH		(65,331.00)		N	N/A	Adaptive Skill Building for Children with Autism
DDSD-13-01	RFP	Bridges Educational Services	228,080.00			N	N/A	Adaptive Skill Building for Children with Autism
DDSD-13-01	RFP	Bridges Educational Services		227,810.00	Bridges Educational Services for Children with Autism, Inc. 6501 Cypress Point Way, NE Albuquerque, NM 87110	N	N/A	Adaptive Skill Building for Children with Autism
DDSD-13-01	RFP	Bridges Educational Services		(14,174.00)		N	N/A	Adaptive Skill Building for Children with Autism
DDSD-13-01	RFP	Pacific Child & Family Associates	71,400.00			N	N/A	Adaptive Skill Building for Children with Autism
DDSD-13-01	RFP	Pacific Child & Family Associates		59,160.00	Pacific Child & Family Associates 1420 Carlisle Blvd., NE, Ste 100 Albuquerque, NM 87110	N	N/A	Adaptive Skill Building for Children with Autism
DDSD-13-01	RFP	Pacific Child & Family Associates		63,630.00		N	N/A	Adaptive Skill Building for Children with Autism
DDSD-13-01	RFP				Collaborative Autism Resources & Education LLC 10808 Sleepy River Avenue, Las Vegas NV 89144	Y	N/A	Adaptive Skill Building for Children with Autism
DDSD-13-01	RFP				Imagine Behavioral Developmental Services, LLC 901 North Monroe St., Ste 200 Spokane, WA 99201	N	N/A	Adaptive Skill Building for Children with Autism
DDSD-13-01	RFP				JumpStart Autism Center 8500 Washington St, NE Ste A-1 Albuquerque, NM 87113	Y	N/A	Adaptive Skill Building for Children with Autism
DDSD-13-01	RFP				Kayak New Mexico, Inc. 5800 Osuna Rd., NE #64 Albuquerque, NM 87109	N	N/A	Adaptive Skill Building for Children with Autism
DDSD-13-01	RFP				Stimulating Minds Autism Clinic, LLC 6100 Seagull Street, NE Ste 202 Albuquerque, NM 87109	N	N/A	Adaptive Skill Building for Children with Autism
DDSD-13-01	RFP	Robert Chris Heimrel	215,000.00		Robert Christopher Heimrel 11200 Carmel Ave., NE Albuquerque, NM 87122	N	N/A	Positive Behavioral Support Project
DDSD-13-01	RFP				EnSuenos Y Los Angelitos Development Center 1030 Salazar Road, Taos, NM 87571	N	N/A	Positive Behavioral Support Project
DDSD-13-01	RFP				C Saks Behavior Therapy Services PO Box 5787 Santa Fe, NM 87502	N	N/A	Positive Behavioral Support Project
DDSD-13-01	RFP				Blue Sky Behavioral Health Services 215 Riverview Drive, Durango, CO 81301	N	N/A	Positive Behavioral Support Project
DDSD-13-01	RFP	James Haaven	62,380.00		James Haaven 4037 NE Laddington Ct., Portland OR 97272	N	N/A	Risk Screening Services for Sexually Inappropriate or Offending Behavior
DDSD-13-01	RFP	Mark Gordon, MA	70,046.00		Mark Gordon, MA 2528 Avenida de Isidro Santa Fe,	N	N/A	Socialization and Sexuality Education

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DDSD-13-01	RFP	Mark Gordon, MA		2,164.00	NM 87505	N	N/A	Socialization and Sexuality Education
DDSD-13-01	RFP	Essential SLP Services	124,605.46		Essential SLP Services, Inc. 7400 Willowwood Dr., NW Albuquerque, NM 87120-4038	N	N/A	Statewide Speech Language Therapy Services
DDSD-13-01	RFP	Essential SLP Services		124,605.46	Essential SLP Services, Inc. 7400 Willowwood Dr., NW Albuquerque, NM 87120-4039	N	N/A	Statewide Speech Language Therapy Services
DDSD-13-01	RFP				EASI Therapy & Diagnostic Services, Inc. 5200 Copper Avenue, NE Albuquerque, NM 87108	N	N/A	Statewide Speech Language Therapy Services
DDSD-13-01	RFP	Education for Indian Parents of Indian Children (EPICS)	69,000.00		Education for Parents of Indian Children 1600 San Pedro Dr., NE Albuquerque, NM 87110	N	N/A	Family Infant Toddler Program - Family Support and Training
DDSD-13-01	RFP				Amistad Milestones, LLC 3050 N roadrunner PKWY, STE A Las Cruces, NM 88001	N	N/A	Family Infant Toddler Program - Family Support and Training
DDSD-13-01	RFP				Parents Reaching Out to Help 1920 B Columbia Dr., SE Albuquerque, NM 87109	N	N/A	Family Infant Toddler Program - Family Support and Training
DDSD-13-01	RFP	Dorman Therapy	124,605.46		Dorman Therapy, Inc. 7811 Academy Trail, NE, Albuquerque, NM 87109	N	N/A	Seating Clinic Therapist - Physical Therapist
DDSD-13-01	RFP	Dorman Therapy		4,000.00	Dorman Therapy, Inc. 7811 Academy Trail, NE, Albuquerque, NM 87110	N	N/A	Seating Clinic Therapist - Physical Therapist
DDSD-13-01					Mary Beth Sschubauer, PT, MS 837 Fairway Road, NE Albuquerque, NM 87107	N	N/A	Seating Clinic Therapist - Physical Therapist
DDSD-13-01	RFP	Cooney Watson & Associates	89,550.00		Cooney Watson & Associates 2201 San Pedro Dr., NE Bldg 2 Stee 100 Albuquerque, NM 87110	N	N/A	Family Infant Toddler Program - Public Awareness Plan
DDSD-13-01					Family Options, LLC 518 NMHW 250 Las Vegas, NM 87701	N	N/A	Family Infant Toddler Program - Public Awareness Plan
DDSD-13-01	RFP	The ARC of New Mexico	60,900.00		The ARC of New Mexico 3655 Carlisle Blvd. NE Albuquerque, NM 87110-1644	Y	N/A	Self Advocay Program
DDSD-13-01	RFP	The ARC of New Mexico		600.00		Y	N/A	Self Advocay Program
DDSD-13-01	RFP	Parents Reaching Out	241,480.00		Parents Reaching Out to Help 1920 B Columbia Dr., SE Albuquerque, NM 87109	Y	N/A	Parenting Skills Training Project
DDSD-13-01					New Mexico Family Information Center 1801 Rio Grande, NW Albuquerque, NM 87104	N	N/A	Parenting Skills Training Project
DDSD-13-01					ENMRSH, Inc. PO Box 1989 Clovis, NM 88101	N	N/A	Parenting Skills Training Project
DDSD-13-01					Amistad Milestones, LLC 3050 N roadrunner PKWY, STE A Las Cruces, NM 88001	N	N/A	Parenting Skills Training Project
DDSD-14-01	RFP	ARCA	138,695.00		ARCA 1300 Lomas Blvd., NE Albuquerque, NM 8712-5513	N	N	DD Flexible Supports Capacity Building
DDSD-14-02	RFP				Columbus Medical Services, LLC 1012 W Ninth Ave., Suite 80 King of Prussia, PA 19406	N	N/A	DD Flexible Supports Capacity Building
DDSD-13-01	RFP	Julie Mehrl	124,605.46		Julie Mehrl, MOTR/L 106 Ventura Road, Belen, NM 87001	N	N/A	Seating Clinic Therapist - Occupational Therapist
DDSD-13-01	RFP	Julie Mehrl		4,000.00	Julie Mehrl, MOTR/L 106 Ventura Road, Belen, NM 87002	N	N/A	Seating Clinic Therapist - Occupational Therapist

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DDSD-14-01	RFP	Presbyterian Ear Institute	100,000.00		Presbyterian Ear Institute 415 Cedare St, SE Albuquerque, NM 87106	N	N	Early Childhood Education for Cochlear Implants and Hearing Aid users
DDSD-14-02					Bilingual Multicultural Services, Inc. 5200 Copper Ave, NE, Albuquerque, NM 87108	N	N/A	Early Childhood Education for Cochlear Implants and Hearing Aid users
DDSD-14-01	RFP	Alice Marshall's DBA Marshall's Job Development	100,000.00		Alice Marshall's DBA Marshall's Job Development 8021 Ruidoso CT, NE Albuquerque, NM 87109	N	N	Employment Supports Services
DDSD-14-02	RFP				SL Stuart and Associates, LLC 901 N Monroe St, STE 200 Spokane, WA 99201	N	N/A	Employment Supports Services
DDSD-14-02	RFP				Community Options, Inc. 811 St. Michael's Drive, Santa Fe NM 87505	N	N/A	Employment Supports Services
11-665-00-02011	RFP	Solace Crisis Treatment Center	73,120.00		Solace Crisis Treatment Center		Y	Support Rape Crisis intervention
11-665-00-02011	RFP	Solace Crisis Treatment Center		10,151.00	6601 Valentine Way Santa Fe, NM 87507			Support Rape Crisis intervention
11-665-00-02011	RFP	Community Against Violence	94,350.00		Community Against Violence	Y	N	Support Rape Crisis intervention
11-665-00-02011	RFP	Community Against Violence		19,481.00	945 Salazar Road Taos, NM 87571	Y	N	Support Rape Crisis intervention
14-EMSB-002	RFP	EMS Region I, Inc	95,874.85		EMS Region 1, Inc. PO Box 403 Zuni, NM 87327	Y		Providing statewide emergency medical services
14-EMSB-002	RFP	EMS Region I, Inc		(62,325.00)				Providing statewide emergency medical services
14-EMSB 001	RFP	Eastern NM EMS Region III	103,674.85		Eastern New Mexico Emergency Medical Services Corp. 2421 East 21 st Street Box 1895 Clovis, NM 88102-1895	Y		Providing statewide emergency medical services
14-EMSB 001	RFP	Eastern NM EMS Region III		(29,925.00)				Providing statewide emergency medical services
14-EMSB-001	RFP	Region II EMS,	110,530.00		Region II Emergency Medical Services, Inc. 125 North Main Street Las Cruces, NM 88001	Y		Provide statewide emergency medical services
11-665-00-02011	RFP	NM Coalition of Sexual Assault Program	110,000.00		3909 Juan Tabo NE #6 Albuquerque NM 87111	Y	N	Training therapist to provide carefor sexually abused youth
11-665-00-02011	RFP	NM Coalition of Sexual Assault Program	1,357,900.00		3909 Juan Tabo NE #6 Albuquerque NM 87111	Y	N	Provide training to the SANE program
11-665-00-02011	RFP	NM Coalition of Sexual Assault Program		61,685.00	3909 Juan Tabo NE #6 Albuquerque NM 87111	Y	N	Provide training to the SANE program
11-665-00-02011	RFP	NM Coalition of Sexual Assault Program		42,143.00	3909 Juan Tabo NE #6 Albuquerque NM 87111	Y	N	Provide training to the SANE program
11-665-00-02011	RFP	Rape Crisis Center of Central NM	130,681.00		Rape Crisis Center of Central NM 9741 Candelaria NE Albuquerque NM 87112	Y	N	Provide Rape crisis intervention
11-665-00-02011	RFP				Roosevelt General Hospital 42121 US 70 Portales, NM 88130	Y	N	Provide Rape crisis intervention
11-665-00-02011	RFP				Sexual Assault Services of NW New Mexico 6232 West Maple Suite H Farmington NM 87401	Y	N	Support Rape Crisis intervention

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11-665-00-02011	RFP				Silver Regional Sexual Assault Support Services 301 West College Avenue Suite 16 Silver City, NM 88061	Y	N	Support Rape Crisis intervention
11-665-00-02011	RFP				Tewa Women United 912 East Fairview Lane Espanola, NM 87532	Y	N	Support Rape Crisis intervention
11-665-00-02011	RFP				La Pinon Sexual Assault Recovery 525 South Meledres St Las Cruces, NM 88005	Y	N	Support Rape Crisis intervention
IMMUNIZATION PROGRAM SERVICES	RFP	Hubert Allen and Associates	18,000.00		Hubert Allen and Associates, 720-25 Tramway Ln NE, Albuquerque, NM 87122	Y	N/A	Provide immunization nurse consultant
IMMUNIZATION PROGRAM SERVICES	RFP				John Klinger, 8215 San Juan Rd NE, Albuquerque, NM 87108	Y	N/A	Provide immunization nurse consultant
IMMUNIZATION PROGRAM SERVICES	RFP				JoElln Belding, 302 Three Cross Drive, Roswell NM 88201	Y	N/A	Provide immunization nurse consultant
IMMUNIZATION PROGRAM SERVICES	RFP				Cheryl Greenwood, 2208 marie Park Dr NE, Albuquerque, NM 87112	Y	N/A	Provide immunization nurse consultant
IMMUNIZATION PROGRAM SERVICES	RFP				Cynthia Lyell, 2156 H Aumakua St, Pearl City HI 96782	Y	N/A	Provide immunization nurse consultant
IMMUNIZATION PROGRAM SERVICES	RFP				Jamie Rivera, 10900 Claremont Ave NE, Albuquerque, NM 87112	Y	N/A	Provide immunization nurse consultant
IMMUNIZATION PROGRAM SERVICES	RFP				Margaret Smyth, 824 Calle David, Santa Fe, NM 87506	Y	N/A	Provide immunization nurse consultant
IMMUNIZATION PROGRAM SERVICES	RFP				UNM Agora Crisis Line, 1634 University of New Mexico, Albuquerque, NM 87131	Y	N/A	Provide immunization nurse consultant
IMMUNIZATION PROGRAM SERVICES	RFP				NMSU WAVE Program, 4501 Indian School Rd NE, Santa Fe, NM 87110	Y	N/A	Provide immunization nurse consultant
IMMUNIZATION PROGRAM SERVICES	RFP				Pojoaque Valley School District, PO Box 3468, Santa Fe NM 87501	Y	N/A	Provide immunization nurse consultant
TOUCH DANCE PROGRAMS FOR PHYSICAL ACTIVITIES & HEALTHIER WEIGHT	RFP	National Dance Institute of New Mexico	1,921,200.00		National Dance Institute of New Mexico, 1140 Alto Street Santa Fe NM 87501	Y	N	Provide winning arts and physical activity program
RFP #665-14-00001	RFP	New Mexico Alliance for School Based Health Care	380,000.00		NM Alliance for SBHC, 3301 R Coors Blvd NW #288, Albuquerque, NM	Y	N/A	Provide training and technical assistance for school b
RFP #665-14-00001	RFP				Apex Education, 8300 Carmel Ave NE Ste 601, Albuquerque, NM 87122	Y	N/A	Provide training and technical assistance for school b
RFP #665-14-00001	RFP				Kesselman-Jones Inc, PO Box 30182, Albuquerque, NM 87109	Y	N/A	Provide training and technical assistance for school b

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BREASTFEEDING PEER COUNSLOR PROGRAM FOR THE NM SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR (WIC)	RFP	New Mexico Breastfeeding Task Force	1,891,000.00		The New Mexico Breastfeeding Taskforce, 430 Live Oak Lane NE, Albuquerque, NM 87122	Y	Yes	Provide peer counseling for support of the NM WIC p
HEALTH SYSTEMS INTERVENTIONS FOR COORDINATED CHRONIC DISEASE PREVENTION AND MANAGEMENT	RFP	NM Medical Review Association	490,920.00		NM Medical Review Association 5801 Osuna Road NE Suite 200 Albuquerque, NM 87109	Y	N/A	electronic health records and Health information tec Provide survivorship and cancer risk reduction education
CDPCCP	RFP	CAPPED	60,000.00		CAPPED Inc, 907 New York Avenue, Alamogordo, NM 88310	Y	N/A	Provide survivorship and cancer risk reduction education
CDPCCP	RFP				NM Cancer Care Alliance, PO Box 4428, Albuquerque, NM 87196	Y	N/A	Provide survivorship and cancer risk reduction education
CDPCCP	RFP				People Living Through Cancer, 3411 Candelaria NE, Suite M, Albuquerque, NM 87107	Y	N/A	Provide survivorship and cancer risk reduction education
CDPCCP	RFP				Lovelace Biomedical, 2425 Ridgcrest Dr SE, Albuquerque, NM 87108	Y	N/A	Provide survivorship and cancer risk reduction education
CDPCCP	RFP				Germane Solutions, 4207 Live Oak St Apt #2210, Dallas, TX 75204	N	N/A	Provide survivorship and cancer risk reduction education
CDPCCP	RFP				HealthEC, 371 Hoes Lane, Piscataway, NJ 08854	N	N/A	education
Laboratory Testing Services	RFP	Center for Disease Detection	1,902,437.47		Center for Disease Detection LLC, 11603 Crosswinds Way Suite 100, San Antonio TX 78233	N	N/A	Provide laboratory services for public health offices
Laboratory Testing Services	RFP				Quest Diagnostics Clinical Laboratories Inc, 5601 Office Blvd, Albuquerque, NM 87109	Y	N/A	Provide laboratory services for public health offices
Laboratory Testing Services	RFP				Tricore , 100 Woodwaed Pl NE, Albuquerque, NM 87102	Y	N/A	Provide laboratory services for public health offices
SBHS	RFP	Kesselman-Jones, Inc	177,360.00		Kesselman-Jones Inc, PO Box 30182, Albuquerque, NM 87109	Y	N	provide workforce development opportunities for school health statewide.
SBHS	RFP				Apex Education, 8300 Carmel Ave NE Ste 601, Albuquerque, NM 87122	Y	N	provide workforce development opportunities for school health statewide.
SBHS	RFP				NM Alliance for SBHC, 3301 R Coors Blvd NW #288, Albuquerque, NM	Y	N	provide workforce development opportunities for school health statewide.
CDBCCP	RFP	NM Cancer Care Alliance	140,724.00		NM Cancer Care Alliance, PO Box 4428, Albuquerque, NM 87196	Y	N	Provide education on Cancer risk reduction to Spanish populations
CDBCCP	RFP				CAPPED Inc, 907 New York Avenue, Alamogordo, NM 88310	Y	N	Provide education on Cancer risk reduction to Spanish populations
CDBCCP	RFP				Lovelace Biomedical, 2425 Ridgcrest Dr SE, Albuquerque, NM 87108	Y	N	Provide education on Cancer risk reduction to Spanish populations

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CDBCCP	RFP	People Living Through Cancer	75,716.00		People Living Through Cancer, 3411 Candelaria NE, Suite M, Albuquerque, NM 87107	Y	N/A	Provide survivorship and cancer risk reduction education
CDBCCP	RFP				Germane Solutions, 4207 Live Oak St Apt #2210, Dallas, TX 75204	N	N/A	Provide survivorship and cancer risk reduction education
CDBCCP	RFP				Presbyterian Healthcare Services, PO Box 26666, albuquerque, NM 87125-6666	Y	N/A	Provide survivorship and cancer risk reduction education
CDBCCP	RFP				Orion Health, 100 Wilshire Blvd 19th Floor, Santa Monica, CA 90401	N	N/A	Provide survivorship and cancer risk reduction education
CDBCCP	RFP				HealthEC, 371 Hoes Lane, Piscataway, NJ 08854	N	N/A	Provide survivorship and cancer risk reduction education
WIC Program	RFP	The Griego Agency	239,680.00		The Griego Agency LLC, PO Box 21208, Albuquerque, NM 87154	Y	N/A	Provide Project Management-Infant rebate WIC
WIC Program	RFP				Rick Foley, LLC, 6400 4th Street NW Ste A422, Albuquerque, NM 87107	Y	N/A	Provide Project Management-Infant rebate WIC
RFP #665-14-00001	RFP	Apex Education	884,425.00		Apex Education, 8300 Carmel Ave NE Ste 601, Albuquerque, NM 87122	Y	N/A	Provide evaluation services of OSAH
RFP #665-14-00001	RFP				NM Alliance for SBHC, 3301 R Coors Blvd NW #288, Albuquerque, NM	Y	N/A	Provide evaluation services of OSAH
RFP #665-14-00001	RFP				Kesselman-Jones Inc, PO Box 30182, Albuquerque, NM 87109	Y	N/A	Provide evaluation services of OSAH
665-12-00002	RFP	Programs for Adolescents		15,000.00	Programs for Adolescents, 1430 Miraceros South Loop, Santa Fe NM 87501	Y	N/A	Provide planning of the Naturals Helpers program.
665-12-00002	RFP				NM Suicide Intervention Project, PO Box 6004, Santa Fe NM 87502	Y	N/A	Provide planning of the Naturals Helpers program.
665-12-00002	RFP				Navajo Preparatory School, 1220 W Apache St, Farmington, NM 87401	Y	N/A	Provide planning of the Naturals Helpers program.
665-12-00002	RFP				NM Suicide Prevention Coalition, PO Box 3631, Albuquerque, NM 87190	Y	N/A	Provide planning of the Naturals Helpers program.
665-12-00002	RFP				Santa Fe Mountain Center, PO Box 449, Tesuque, NM 87574	Y	N/A	Provide planning of the Naturals Helpers program.
665-12-00002	RFP				Coalition for Healthy and Resilient Youth, 2418 E Highway66 PMB 203, Gallup, NM 87301	Y	N/A	Provide planning of the Naturals Helpers program.
665-12-00002	RFP				UNM Agora Crisis Line, 1634 University of New Mexico, Albuquerque, NM 87131	Y	N/A	Provide planning of the Naturals Helpers program.
665-12-00002	RFP				NMSU WAVE Program, 4501 Indian School Rd NE, Santa Fe, NM 87110	Y	N/A	Provide planning of the Naturals Helpers program.
665-12-00002	RFP				Pojoaque Valley School District, PO Box 3468, Santa Fe NM 87501	Y	N/A	Provide planning of the Naturals Helpers program.
HIV Prevention Program	RFP	Albuquerque Health Care for the Homeless	240,010.00		Albuquerque Health Care for the Homeless, PO Box 25445, Albuquerque, NM 87125	Y	N/A	Provide HIV prevention interventions
HIV Prevention Program	RFP				Alianza of NM, 1200 S Richardson Ave, Roswell, NM 88203-5577	Y	N/A	Provide HIV prevention interventions
HIV Prevention Program	RFP				First Nations Community Healthsource, 5608 Zuni SE, Albuquerque NM 87108	Y	N/A	Provide HIV prevention interventions
HIV Prevention Program	RFP				New Mexico AIDS Services (NMAS), 625 Truman Street NE, Albuquerque, NM 87110	Y	N/A	Provide HIV prevention interventions
HIV Prevention Program	RFP				Planned Parenthood of the Rocky Mountains (PPRM), 719 San Mateo NE, Albuquerque, NM 87108	Y	N/A	Provide HIV prevention interventions

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STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
SUPPLEMENTARY SCHEDULE OF PROCUREMENT OVER \$60,000
as of JUNE 30, 2015 - UNAUDITED

RFB#/RFP#	Type of Procurement	Awarded Vendor	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Name and Physical Address of ALL Vendor(s) that responded	(A)	(B)	Brief Description of the Scope of Work
HIV Prevention Program	RFP				Santa Fe Mountain Center, PO Box 449, Tesuque, NM 87574	Y	N/A	Provide HIV prevention interventions
HIV Prevention Program	RFP				Southwest CARE Center (SCC), 649 Harkle Rd, Santa Fe, NM 87505	Y	N/A	Provide HIV prevention interventions
HIV Prevention Program	RFP				Transgender Resource Center of NM (TGRNM), 5308 Rosemont Ave NE, Albuquerque, NM 87110	Y	N/A	Provide HIV prevention interventions
HIV Prevention Program	RFP	Alianza of NM	390,000.00		Alianza of NM, 1200 S Richardson Ave, Roswell, NM 88203-5577	Y	N/A	Provide HIV prevention interventions
HIV Prevention Program	RFP	First Nations Community Healthsource	131,500.00		First Nations Community Healthsource, 5608 Zuni SE, Albuquerque NM 87108	Y	N	Provide HIV prevention interventions
HIV Prevention Program	RFP	New Mexico AIDS Services	346,100.00		New Mexico AIDS Services (NMAS), 625 Truman Street NE, Albuquerque, NM 87110	Y	N/A	Provide HIV prevention interventions
HIV Prevention Program	RFP	Planned Parenthood of the Rocky Mountains	508,900.00		Planned Parenthood of the Rocky Mountains (PPRM), 719 San Mateo NE, Albuquerque, NM 87108	Y	N/A	Provide HIV prevention interventions
HIV Prevention Program	RFP	Santa Fe Mountain Center	270,000.00		Santa Fe Mountain Center, PO Box 449, Tesuque, NM 87574	Y	N/A	Provide HIV prevention interventions
HIV Prevention Program	RFP	Southwest Care Center	434,745.00		Southwest CARE Center (SCC), 649 Harkle Rd, Santa Fe, NM 87505	Y	N/A	Provide dispensing for AIDS Drug assistance program
HIV Prevention Program	RFP	Southwest Care Center	239,250.00		Southwest CARE Center (SCC), 649 Harkle Rd, Santa Fe, NM 87505	Y	N/A	Provide HIV prevention interventions
RFP:13FACILITIES-001	RFP	LocumTenens.com	10,000.00		Locumtenens.com, 2655 Northwind Pky., Alpharetta, GA 30009	N	N/A	Provide psychiatric locum tenen services.
RFP:13FACILITIES-001	RFP	Pangea Medical	391,006.25		Pangea Medical, LLC, 2604 N. Gaye Dr., Roswell, NM 88201	Y	N/A	Provide psychiatric services.
RFP:13FACILITIES-001	RFP	Global Medical Staffing	155,150.00			N		Provide psychiatric services
RFP:13FACILITIES-001	RFP	Global Medical Staffing		(120,790.00)	3995 South 700 East, Suite 100 Salt Lake City, UT84107	N		Provide psychiatric services
RFP:13FACILITIES-001	RFP	Global Medical Staffing	150,000.00			N	N	Provide psychiatric services
RFP:13FACILITIES-001	RFP	Global Medical Staffing		150,000.00		N	N	Provide psychiatric services
RFP:13FACILITIES-001					Healing Garden 1700 N Union Roswell, NM 88201	Y	N	Provide psychiatric services
RFP:13FACILITIES-001					Jackson and Coker 3000 Old Alabama Road Suite 119-608 Alpharetta, GA 30022	N	N	Provide psychiatric services
RFP:13FACILITIES-001					Maxim 7227 Lee Deforest Drive Columbia, MD 21046	N	N	Provide psychiatric services
RFP:13FACILITIES-001					Medestar 1603 Lyndon B. Johnson Fwy, Suite 700, Dallas, TX 75234	N	N	Provide psychiatric services
RFP:13FACILITIES-001					Medical Search 23 Vreeland St. Florham Park, NJ. 07932	N	N	Provide psychiatric services
RFP:13FACILITIES-001					Locumtenen.com 2655 Northwinds Parkway Alpharetta, GA 30009	N	N	Provide psychiatric services

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STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
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RFP:13FACILITIES-001					Staff Care 5001 Statesman Dr, Irving, TX 75063	N	N	Provide psychiatric services
RFP:13FACILITIES-001					The Healing Staff 800 W Sam Houston Parkway N Houston, TX 77024	N	N	Provide psychiatric services
RFP:13FACILITIES-001					Whitaker 10375 Richmond Ave, Ste 1700 Houston TX 77042	N	N	Provide psychiatric services
RFP:13FACILITIES-001					Pangea Medical 2604 Gave Drive Roswell, NM 88201	N	N	Provide psychiatric services
RFP:13FACILITIES-002	RFP	Quick Response Staffing	50,000.00				Y	Provide nursing services.
RFP:13FACILITIES-002	RFP	Quick Response Staffing	50,000.00		Quick Reponse Staffing, LLC P.O. Box 442 Artesia, New Mexico, 88211		Y	Provide nursing services
RFP:13FACILITIES-002	RFP	Quick Response Staffing		(30,000.00)			Y	Provide nursing services
RFP:13FACILITIES-002	RFP	Rapid Temps	100,000.00				Y	N Provide nursing services
RFP:13FACILITIES-002	RFP	Rapid Temps		200,000.00			Y	N Provide nursing services
RFP:13FACILITIES-002	RFP	Rapid Temps		150,000.00			Y	N Provide nursing services
RFP:13FACILITIES-002	RFP	Rapid Temps		270,000.00			Y	N Provide nursing services
RFP:13FACILITIES-002	RFP	Rapid Temps	250,000.00				Y	Provide nursing services
RFP:13FACILITIES-002	RFP	Rapid Temps		125,000.00			Y	Provide nursing services
RFP:13FACILITIES-002	RFP	Rapid Temps		140,000.00			Y	Provide nursing services
RFP:13FACILITIES-002	RFP	Rapid Temps		100,000.00			Y	Provide nursing services.
RFP:13FACILITIES-002	RFP	Rapid Temps		260,000.00	Rapid Temps 9670-2 Eagle Ranch Road NW Albuquerque, NM 87114		Y	Provide nursing services
RFP:13FACILITIES-002	RFP	Rapid Temps		80,000.00			Y	Provide nursing services
RFP:13FACILITIES-002	RFP	Rapid Temps		120,000.00			Y	Provide nursing services
RFP:13FACILITIES-002	RFP	Rapid Temps	20,920.64				Y	Provide nursing services
RFP:13FACILITIES-002	RFP	Rapid Temps		23,146.00			Y	Provide nursing services
RFP:13FACILITIES-002	RFP	Rapid Temps		21,828.00			Y	Provide nursing services
RFP:13FACILITIES-002	RFP	Rapid Temps		85,600.00			Y	Provide nursing services
RFP:13FACILITIES-002	RFP	Rapid Temps		48,278.40			Y	Provide nursing services
RFP:13FACILITIES-002	RFP	Rapid Temps	3,000.00				Y	Provide nursing services

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STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
SUPPLEMENTARY SCHEDULE OF PROCUREMENT OVER \$60,000
as of JUNE 30, 2015 - UNAUDITED

<i>RFB#/RFP#</i>	<i>Type of Procurement</i>	<i>Awarded Vendor</i>	<i>\$ Amount of Awarded Contract</i>	<i>\$ Amount of Amended Contract</i>	<i>Name and Physical Address of ALL Vendor(s) that responded</i>	<i>(A)</i>	<i>(B)</i>	<i>Brief Description of the Scope of Work</i>
RFP:13FACILITIES-002	RFP	Rapid Temps		(2,000.00)		Y		Provide nursing services
RFP:13FACILITIES-002	RFP	Staff Care	100,000.00		5001 Statesman Dr, Irving, TX 75063	N	na	Provide locum teen services
RFP:13FACILITIES-002	RFP	PrimeTime Healthcare	110,000.00			N		Provide nursing services
RFP:13FACILITIES-002	RFP	PrimeTime Healthcare		50,000.00		N		Provide nursing services
RFP:13FACILITIES-002	RFP	PrimeTime Healthcare		100,000.00		N		Provide nursing services
RFP:13FACILITIES-002	RFP	PrimeTime Healthcare		221,000.00		N		Provide nursing services
RFP:13FACILITIES-002	RFP	PrimeTime Healthcare		115,000.00		N		Provide nursing services
RFP:13FACILITIES-002	RFP	PrimeTime Healthcare		67,284.00	Primetime Healthcare, 8212 S. 109th St., La Vista, NE 68128	N		Provide nursing services
RFP:13FACILITIES-002	RFP	Primetime Healthcare	100,000.00			N		Provide nursing services
RFP:13FACILITIES-002	RFP	PrimeTime Healthcare		450,000.00		N		Provide nursing services
RFP:13FACILITIES-002	RFP	PrimeTime Healthcare		552,500.00		N		Provide nursing services
RFP:13FACILITIES-002	RFP	PrimeTime Healthcare		230,000.00		N		Provide nursing services
RFP:13FACILITIES-002	RFP	PrimeTime Healthcare		493,009.00		N		Provide nursing services
RFP:13FACILITIES-002	RFP	Cascade Healthcare Services dba Qshift Travel Nurses	110,000.00			N		Provide nursing services
RFP:13FACILITIES-002	RFP	Cascade Healthcare Services dba Qshift Travel Nurses		44,000.00	Cascade Healthcare Services LLC DBA Qshift Staffing 9925 Federal Drive Suite 150 Colorado Springs, Co 80921	N		Provide nursing services
RFP:13FACILITIES-002	RFP	Cascade Healthcare Services dba Qshift Travel Nurses		40,000.00		N		Provide nursing services
RFP:13FACILITIES-002	RFP	Maxim Healthcare Services	74,900.00			Y		Provide nursing services
RFP:13FACILITIES-002	RFP	Maxim Healthcare Services		120,375.00		Y		Provide nursing services
RFP:13FACILITIES-002	RFP	Maxim Healthcare Services		176,550.00		Y		Provide nursing services
RFP:13FACILITIES-002	RFP	Maxim Healthcare Services		(53,500.00)		Y		Provide nursing services
RFP:13FACILITIES-002	RFP	Maxim Healthcare Services	25,000.00			Y		Provide nursing services
RFP:13FACILITIES-002	RFP	Maxim Healthcare Services		12,000.00		Y		Provide nursing services
RFP:13FACILITIES-002	RFP	Maxim Healthcare Services		20,000.00		Y		Provide nursing services

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DEPARTMENT OF HEALTH
SUPPLEMENTARY SCHEDULE OF PROCUREMENT OVER \$60,000
as of JUNE 30, 2015 - UNAUDITED

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RFP:13FACILITIES-002	RFP	Maxim Healthcare Services		20,000.00		Y		Provide nursing services
RFP:13FACILITIES-002	RFP	Maxim Healthcare Services	100,000.00		Maxim Healthcare Service Inc 2155 Louisiana Blvd, Suite 5100 Albuquerque, NM 87110	Y		Provide nursing services
RFP:13FACILITIES-002	RFP	Maxim Healthcare Services		(34,337.01)		Y		Provide nursing services
RFP:13FACILITIES-002	RFP	Maxim Healthcare Services	100,000.00			Y		Provide nursing services
RFP:13FACILITIES-002	RFP	Maxim Healthcare Services		80,000.00		Y		Provide nursing services
RFP:13FACILITIES-002	RFP	Maxim Healthcare Services		100,000.00		Y		Provide nursing services
RFP:13FACILITIES-002	RFP	Maxim Healthcare Services	100,000.00			Y	N	Provide nursing services
RFP:13FACILITIES-002	RFP	Maxim Healthcare Services		80,000.00		Y	N	Provide nursing services
RFP:13FACILITIES-002	RFP	Maxim Healthcare Services		100,000.00		Y	N	Provide nursing services
RFP:13FACILITIES-002	RFP	Maxim Healthcare Services	150,000.00			Y		Provide nursing services
RFP:13FACILITIES-002	RFP	Maxim Healthcare Services		(80,000.00)		Y		Provide nursing services
RFP:13FACILITIES-003	RFP	Fusion Medical Staffing	176,200.00			N	N/A	Provide physical, occupational, and speech therapists
RFP:13FACILITIES-003	RFP	Fusion Medical Staffing		75,600.00	Fusion Medical Staffing, LLC, 11506 Nicholas St., Ste 110, Omaha, NE 68154	N	N/A	Provide physical, occupational, and speech therapists
RFP:13FACILITIES-003	RFP	Fusion Medical Staffing		23,200.00		N	N/A	Provide physical, occupational, and speech therapists
RFP:13FACILITIES-003	RFP	Synertx	125,000.00		Synertx Rehabilitation 7540 N. 19th Ave., Ste 200, Phoenix, AZ 85021	N	N/A	Provide occupational, physical, physical assistance, a
RFP:13FACILITIES-003	RFP	Synertx		150,000.00		N	N/A	Provide occupational, physical, physical assistance, a
RFP:13FACILITIES-003	RFP				Medpro Healthcare Staffing, 1580 Sawgrass Corp Pkw, Ste. 100, Sunrise, FL 33323	N	N/A	Provide physical, occupational, and speech therapists
RFP:13FACILITIES-003	RFP				Reflectx Services, 400 Int'l. Pky., Ste 300, Lake Mary, Florida 32746	N	N/A	Provide physical, occupational, and speech therapists
RFP:13FACILITIES-003	RFP				American Traveler Staffing Pro, LLC, 1615 S. Federal Hwy, Ste. 300, Boca Raton, FL 33432	N	N/A	Provide physical, occupational, and speech therapists
RFP:13FACILITIES-003	RFP				Bilingual Therapies, 8001 N. Lincoln Ave, 8th Flr, Skokie, IL 60077	N	N/A	Provide physical, occupational, and speech therapists
RFP:14FACILITIES-002	RFP	Silver Health Care PC	6,228,048.00		1600 32nd St. Silver City, NM 88061	Y	N	Provide physician services.
RFP:14FACILITIES-002	RFP	Silver Health Care PC		(116,115.00)		Y	N	Provide physician services
RFP:14FACILITIES-002	RFP	MAXIM Physician Resources, LLC			5001 LBJ Fwy Ste 900 Dallas, Tx 75244	N	N	
RFP:13FACILITIES-002	RFP	Quick Response Staffing	50,000.00			Y	N/A	Provide nursing services.

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STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
SUPPLEMENTARY SCHEDULE OF PROCUREMENT OVER \$60,000
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RFP:13FACILITIES-002	RFP	Quick Response Staffing	50,000.00		Quick Response Staffing, PO Box 442, Artesia, NM 88211	Y	N/A	Provide nursing services
RFP:13FACILITIES-002	RFP	Quick Response Staffing		(30,000.00)		Y	N/A	Provide nursing services
RFP:13FACILITIES-002	RFP	Rapid Temps	100,000.00			Y	N/A	Provide nursing services
RFP:13FACILITIES-002	RFP	Rapid Temps		25,000.00	Rapid Temps, Inc., 8415 Washington PL NE, Ste. D, Albuquerque, NM 87113	Y	N/A	Provide nursing services
RFP:13FACILITIES-002	RFP	Rapid Temps		(41,237.24)		Y	N/A	Provide nursing services
RFP:13FACILITIES-002	RFP				Medical Staffing Newwork Healthcare, LLC, 924 Park Ave SW, Ste C, Albuquerque, NM 87102	Y	N/A	Provide nursing services
RFP:13FACILITIES-002	RFP				Cascade Healthcare Service, LLC, 9925 Federal Drive, Ste 150, Colorado Springs, CO 89021	N	N/A	Provide nursing services
RFP:OGC-0001	RFP	Sheehan & Sheehan	385,000.00		SHEEHAN & SHEEHAN, P.A., PO BOX 271 Albuq, NM 87103 6001 Indian School Rd NE Ste 400 Albuq, NM 87110 Sutin, Thayer and Brown 317 Paseo De Peralta Santa Fe, NM 87501 PO Box 2187 Santa Fe, NM. 87504	Y	N	Provide hearing officer services for the department
RFP:15-OGC-0001 5U-66500-14-EM021	RFP	Sutin, Thayer and Brown	385,000.00		Paul Davis Restoration, 12 Bisbee Court, Santa Fe, NM	Y	N	Provide hearing officer services for the department
50-66500-14-25642	Emergency	Paul Davis Restoration	30,270.08		NASDDDS National Association of State Directors	y	NA	Services
52-66500-14-27048	Sole Source	NASDDDS National Association of State Directors	35,000.00		NASDDDS National Association of State Directors, 113 Oronoco Street, Alexandria, VA	Y	NA	Services
50-66500-14-26646	Sole Source	Digital Innovation	52,669.20		Digital Innovation, 134 Industry Lane, Ste 3, Forest Hill, MD	y	NA	Maintenance & Support
50-66500-14-31887	Sole Source	Agilent Technologies	37,769.60		Agilent Technologies, 2850 Centerville Road, Wilmington, DE	y	NA	Software upgrades
50-66500-14-31887	Sole Source	Innovative Architects	136,406.00		Innovative Architects, 3122 Hill Street, Deluth, Ga	y	NA	Maintenance & Support
50-66500-15-33167	Sole Source	Intermedix Emsystems	306,774.00		Intermedix Emsystems, 6451 N. Federal Hwy, Ste 1000, Fort Lauderdale, FL	y	NA	Maintenance & Support
50-66500-15-34105	Sole Source	ChallengerSoft	94,809.76		ChallengerSoft, 335B Southwester Blvd., Sugar Land, TX	y	NA	Maintenance & Support
50-66500-15-33582	Sole Source	Netsmart Technologies, Inc.	709,225.04		Netsmart Technologies, 3500 Sunrise Highway, Ste D-122, Great River, NY	y	NA	Maintenance & Support
40-665-14-23134	Sole Source	Steris Corporation	17,383.30		Steris Corporation, 5960 Heisley Road, Mentor, OH	y	NA	Maintenance & Support
40-665-14-21400	Sole Source	Lovelace Clinic Foundation	192,400.00		Lovelace Clinic Foundation, 2900 Renard Place SE, Ste 103, Albuquerque, NM	y	NA	Maintenance & Support
40-66514-21616	Sole Source	Perkin Elmer	68,061.60		Perkin Elmer, 710 Bridgeport Avenue, Shelton, CT	y	NA	Maintenance
40-665-14-20714	Sole Source	Labware	68,896.00		Labware, Three Mill Road, Ste 102, Wilmington, DE	y	NA	Maintenance & Support
40-665-14-19207	Sole Source	Life Technologies	36,088.11		Life Technologies, 180 Oyster Point Blvd., Mail Stop 447, South San Francisco, CA	y	NA	Maintenance & Support

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STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
SUPPLEMENTARY SCHEDULE OF PROCUREMENT OVER \$60,000
as of JUNE 30, 2015 - UNAUDITED

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40-665-14-18748	Sole Source	Therap Services, LLC	60,000.00		Therap Services, LLC, 562 Watertown Avenue, Ste. 3, Waterbury, CT	y	NA	Maintenance & Support
40-665-14-18405	Sole Source	Maximus Inc.	132,000.00		Maximus Inc., 1891 Metro Center Drive, Reston, VA	y	NA	Maintenance & Support
40-665-14-18258	Sole Source	Roche Diagnostics	16,900.00		Roche Diagnostics, 942 Hague Rd, Indianapolis, IN	y	NA	Tangible Personal Property
40-665-14-20331	Sole Source	Agilent Technologies	80,600.00		Agilent Technologies, 2850 Centerville Road, Wilmington, DE	y	NA	Software upgrades
40-665-14-18573	Sole Source	Stanbio Laboratory	2,500.00		Stanbio Laboratory, 1261 N. Main Street, Boerne, TX	y	NA	Tangible Personal Property
40-665-14-20713	Sole Source	Vital Chek Network, Inc.	139,320.00		Vital Chek Network, Inc., 6 Cadillac Drive, Ste 400, Brentwood, TN	y	NA	Maintenance & Support
40-665-14-19566	Sole Source	Medela, Inc.	6,000.00		Medela, Inc., 38789 Eagle Way, Chicago, IL	y	NA	Tangible Personal Property
40-665-14-21718	Sole Source	Biosearch Technologies	5,799.80		Biosearch Technologies, 2199 S. McDowell Blvd., Petaluma, CA	y	NA	Tangible Personal Property
40-665-14-20052	Sole Source	Arjo-Century Distributing Inc.	50,000.00		Arjo-Century Distributing Inc., 25967 Conifer Road, Conifer, CO	y	NA	Repair Parts & Maintenance
50-665-15-33611	Sole Source	ABSciex	83,403.72		AB Sciex, 1201 Radio Road, Redwood City, CA	y	NA	Maintenance & Support
			27,293,232.15					

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STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
SUPPLEMENTARY SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS
Year Ended June 30, 2015

Schedule 10

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
<u>Fund 50200 - Birth & Death Certificate Fund</u>				
ASSETS:				
Interest in State General Fund				
Investment Pool	\$ 293,372	\$ 2,615,927	\$ 2,594,324	\$ 314,975
Cash	280	1,410	1,390	300
Due from other Funds	420	510	920	10
TOTAL ASSETS	\$ 294,072	\$ 2,617,847	\$ 2,596,634	\$ 315,285
LIABILITIES:				
Voucher payable	\$ -	\$ 5,009	\$ 4,686	\$ 323
Due to other state agencies	127,639	297,483	214,990	210,132
Due to State General Fund	166,133	1,028,368	1,089,671	104,830
Deposits held for others	-	734,637	734,637	-
Stale dated warrants	300	-	300	-
TOTAL LIABILITIES	\$ 294,072	\$ 2,065,497	\$ 2,044,284	\$ 315,285
 <u>Fund 51000 - Patients' Trust Fund</u>				
ASSETS:				
Cash	\$ 996,868	\$ 6,973,412	\$ 6,792,079	\$ 1,178,201
TOTAL ASSETS	\$ 996,868	\$ 6,973,412	\$ 6,792,079	\$ 1,178,201
LIABILITIES:				
Funds held for others	\$ 996,868	\$ 7,020,867	\$ 8,017,735	\$ -
Deposits held for others	-	1,221,825	43,624	1,178,201
TOTAL LIABILITIES	\$ 996,868	\$ 8,242,692	\$ 8,061,359	\$ 1,178,201

See Notes to Financial Statements

COMPLIANCE

**STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015**

Federal Agency / Pass-Through Agency	Federal CFDA Number	Federal Participating Expenditures
<u>U.S DEPT OF AGRICULTURE</u>		
Commodity Supplemental Food Program		
Commodity Supplement Food Program 2014	10.565	298,808
Commodity Supplement Food Program 2015	10.565	862,515
Senior Farmers Market Nutrition Program		
Senior Farmers Market Admin 2014	10.576	11,412
Senior Farmers Market Admin 2015	10.576	20,672
Senior Farmers Market Food 2014	10.576	204,910
Senior Farmers Market Food 2015	10.576	890
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)		
WIC Breastfeeding 2013	10.557	2,934
WIC Breastfeeding 2014	10.557	-652
Women, Infants, and Children Admin FFY 2014	10.557	3,527,991
Women, Infants, and Children Admin FFY 2015	10.557	7,586,216
Women, Infants, and Children Breastfeeding 2013	10.557	172,732
Women, Infants, and Children Breastfeeding 2014	10.557	108,800
Women, Infants, and Children Food FFY 2014	10.557	7,875,480
Women, Infants, and Children Food FFY 2015	10.557	15,622,798
Women, Infants, and Children Nutrition Program 2012	10.557	345
Women, Infants, and Children Nutrition Program 2013	10.557	-280
Women, Infants, and Children Nutrition Program 2014	10.557	469,291
Women, Infants, and Children Nutrition Program 2015	10.557	1,264,023
Women, Infants, and Children REBATE 2014	Nestle	2,913,564
Women, Infants, and Children REBATE 2015	Nestle	9,090,796
Women, Infants, and Children SPEND FORWARD 2013	10.557	8,662
Women, Infants, and Children SPEND FORWARD 2014	10.557	1,281,940
WIC Farmers' Market Nutrition Program		
Farmers' Market Admin 2015	10.572	40,623
Farmers' Market Food 2014	10.572	111,905
Farmers' Market Admin 2014	10.572	9,951

**STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015**

Federal Agency / Pass-Through Agency	Federal CFDA Number	Federal Participating Expenditures
WIC Grants To States		
WIC Breastfeeding Bonus Award 2015	10.578	18,972
Women, Infants, and Children Breastfeeding Bonus Award 2015	10.578	111,600
TOTAL U.S DEPT OF AGRICULTURE		51,616,898
 <u>U.S DEPARTMENT OF EDUCATION</u>		
Special Education-Grants for Infants and Families		
Family Infants & Toddlers 2014	84.181A	61,967
Family Infants & Toddlers 2015	84.181A	2,670,585
TOTAL U.S DEPARTMENT OF EDUCATION		2,732,552
 <u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>		
Affordable Care Act (ACA) - State Innovation Models: Funding for Model Design and Model Testing Assistance		
State Innovation Models 2015	93.624	217,269
ACA Nationwide Program for National and State Background Checks		
Caregiver Criminal History Screening	93.506	15,124
Caregiver Criminal History Screening 2011	93.506	115,117
Adult Viral Hepatitis Prevention and Control		
Viral Hepatitis Prevention & Surveillance 2014	93.270	30,259
Viral Hepatitis Prevention & Surveillance 2015	93.270	49,884
Affordable Care Act - National Environmental Public Health Tracking Program-Network Implementation		
Environmental Health Tracking 2012	93.538	25,763
Environmental Health Tracking 2013	93.538	3,570
Environmental Health Tracking 2015	93.538	657,586
Affordable Care Act Abstinence Education Program		
Title V Abstinence Education 2014	93.235	106,398
Title V Abstinence Education 2015	93.235	306,285

**STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015**

Federal Agency / Pass-Through Agency	Federal CFDA Number	Federal Participating Expenditures
Affordable Care Act -Personal Responsibility Education Program		
Personal Responsibility Education Program 2013	93.092	78,936
Personal Responsibility Education Program 2014	93.092	254,262
Assistance Programs for Chronic Disease Prevention and Control		
State Public Health Actions to Prevent & Control 2015	93.945	825,725
Behavioral Risk Factor Surveillance System		
N.M. Behavioral Risk Factor Surveillance 2016	93.336	98,813
Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance		
NM Immunization Program	93.733	13,054
NM Immunization Program Application 2012	93.733	358,282
Centers for Disease Control and Prevention, Investigations and Technical Assistance		
Behavioral Risk Factor Surveillance 2014	93.283	110,545
Behavioral Risk Factor Surveillance System 2012	93.283	-9,093
Behavioral Risk Factor Surveillance System 2014	93.283	74,186
Biosense 2014	93.283	17,494
Biosense 2015	93.283	122,035
Building & Strengthening 2014	93.283	7,891
Building & Strengthening 2014	93.283	52,610
Chronic Disease Prevention 2010	93.283	-7,346
Chronic Disease Prevention 2013	93.283	13
Chronic Disease Prevention 2015	93.283	895,486
Colorectal Cancer Screening 2013 2013	93.283	119,112
Colorectal Health 2015	93.283	438,917
Early Hearing Detection 2015	93.283	48,477
Emerging Infections Program 2012	93.283	122,459
Emerging Infections Program 2014	93.283	1,486,102
Emerging Infections Program 2015	93.283	298,399
National Breast & Cervical Cancer 2015	93.283	3,074,800
National Breast & Cervical Cancer 2016	93.283	707

**STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015**

Federal Agency / Pass-Through Agency	Federal CFDA Number	Federal Participating Expenditures
Child Lead Poisoning Prevention Surveillance financed in part by Prevention and Public Health Fund (PPHF)		
Childhood Lead Poisoning 2015	93.753	71,500
Consolidated Health Centers		
Primary Care Office 2015	93.224	172,437
Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems		
Behavioral Risk Factor Surveillance 2015	93.988	224,718
Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices		
Primary Care Office 2016	93.130	26,264
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs		
Pregnancy Risk Assessment Monitoring 2015	93.946	110,545
Pregnancy Risk Assessment Monitoring 2016	93.946	18,264
Sudden Unexpected Infant Death Registry 2014	93.946	9,300
Sudden Unexpected Infant Death Registry 2015	93.946	25,174
Domestic Ebola Supplement to the Epidemiology and Laboratory Capacity for Infectious Diseases		
PPHF Epi. & Lab. Capacity for Infectious Diseases 2015	93.815	15,512
Emerging Infections Programs		
PPHF 2012-Emerging Infections Program 2015	93.317	16,060
PPHF Emerging Infections Program 2015	93.317	8,785
Empowering Older Adults and Adults with Disabilities		
Chronic Disease Self-Management Program in NM 2013	93.734	16,670
Chronic Disease Self-Management Program in NM 2015	93.734	152,405
Environmental Public Health and Emergency Response		
Addressing Asthma 2013	93.070	9,515
Addressing Asthma 2014	93.070	40,670
Addressing Asthma 2015	93.070	411,154
Four Corner Bio-Monitoring 2015	93.070	51,629
Improving State & Local Capacity for Well Water Systems 2014	93.070	145,806
Improving State & Local Capacity for Well Water Systems 2015	93.070	126,077

**STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015**

Federal Agency / Pass-Through Agency	Federal CFDA Number	Federal Participating Expenditures
Epidemiology and Laboratory Capacity for Infectious Diseases		
Building & Strengthening PPHF 2015	93.323	531,801
Family Planning Services		
Family Planning 2014	93.217	1,757,397
Family Planning 2015	93.217	717,778
Family Planning 2016	93.217	674,013
Grants to States for Operation of Offices of Rural Health		
State Office of Rural Health 2015	93.913	172,950
Human Immunodeficiency Virus (HIV) Care Formula Grants		
Ryan White 2015	93.917	3,481,135
Ryan White 2016	93.917	919,184
HIV Prevention Activities		
HIV Prevention Project 2014	93.940	691,617
HIV Prevention Project 2015	93.940	706,225
HIV/Acquired Immune Deficiency Virus Syndrome (AIDS) Surveillance		
HIV/AIDS Surveillance 2014	93.944	12,255
HIV/AIDS Surveillance 2015	93.944	13,722
Infectious Disease Epidemiology Bureau Chief 2014	93.944	72,088
Infectious Disease Epidemiology Bureau Chief 2015	93.944	80,720
Immunization Cooperative Agreements		
Billing for Immunizations 2015	93.268	145,023
Immunization and Vaccines for Children Program 2014	93.268	1,595,579
NM Immunization Program 2015	93.268	1,376,273
Injury Prevention and Control Research and State and Community Based Programs		
NM Violent Death Reporting 2014	93.136	25,309
NM Violent Death Reporting 2015	93.136	158,632
Rape Prevention and Education 2014	93.136	129,129
Rape Prevention and Education 2015	93.136	87,143

**STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015**

Federal Agency / Pass-Through Agency	Federal CFDA Number	Federal Participating Expenditures
Maternal and Child Health Federal Consolidated Programs		
CISS-SECCS Planning 2014	93.110	584
CISS-SECCS Planning 2015	93.110	119,471
Integrated Community Systems 2015	93.110	4,963
Integrated Community Systems for CSHCN 2015	93.110	241,956
NM State Systems Development Initiative 2013	93.110	1,212
NM State Systems Development Initiative 2014	93.110	76,268
NM State Systems Development Initiative 2015	93.110	34,153
Maternal and Child Health Services Block Grant to the States		
Maternal & Child Health Services Block Grant 2013	93.994	10,834
Maternal & Child Health Services Block Grant 2014	93.994	1,591,514
Maternal & Child Health Services Block Grant 2015	93.994	2,288,523
Medical Assistance Program		
Title 18 2014	93.777	900,976
Title 18 2015	93.777	1,654,187
National Bioterrorism Hospital Preparedness Program		
Hospital Preparedness Program 2014	93.889	693,371
Hospital Preparedness Program 2015	93.889	1,069,581
National Public Health Improvement Initiative		
Strengthening Public Health Infrastructure for Improved Health 2014	93.292	17,907
National State Based Tobacco Control Programs		
Chronic Disease Prevention 2016	93.305	242,090
Occupational Safety and Health Program		
NM Occupational Health Surveillance Expanded Program 2015	93.262	115,903
PPHF - Community Transformation Grants		
Community Transformation Program 2014	93.531	427,255
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance		
NM Immunization Program Application to Strengthen Public Health	93.539	254,546

**STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015**

Federal Agency / Pass-Through Agency	Federal CFDA Number	Federal Participating Expenditures
Preventive Health and Health Services Block Grant		
Preventative Health Services Block Grant 2013	93.991	283,154
Preventative Health Services Block Grant 2014	93.758	1,449,795
Preventive Health Services - Sexually Transmitted Diseases Control Grants		
Sexually Transmitted Disease 2014	93.977	344,322
Sexually Transmitted Disease 2015	93.977	445,843
Strengthening Public Health Infrastructure for Improved Health 2013	93.507	124,295
Project Grants and Cooperative Agreements for Tuberculosis Control Programs		
TB Prevention & Control Program 2015	93.116	156,762
Tuberculosis Elimination & Lab 2013	93.116	16,007
Tuberculosis Elimination & Lab 2014	93.116	182,805
Public Health Emergency Preparedness		
HPP and Public Health Emergency Preparedness (PHEP) Cooperative Agreements 2015	93.069	5,923
PHEP Supplemental for Ebola Virus Disease 2015	93.069	70,901
Public Health Emergency Preparedness 2013	93.069	-6,136
Public Health Emergency Preparedness 2014	93.069	640,569
Public Health Emergency Preparedness 2015	93.069	5,559,412
Refugee and Entrance Assistance - Discretionary Grants		
Office of Refugee Resettlement 2014	93.576	-5,650
Office of Refugee Resettlement 2015	93.576	13,899
Rural Health Care Services Outreach		
Rural Hospital Flexibility Program 2014	93.912	42,252
Rural Hospital Flexibility Program 2015	93.912	178,375
Small Rural Hospital Improvement Grant Program		
Small Rural Hospital Improvement 2015	93.301	102,960
State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare		
CLIA 2014	93.777	29,630
CLIA 2015	93.777	63,311

**STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015**

Federal Agency / Pass-Through Agency	Federal CFDA Number	Federal Participating Expenditures
Strengthening Public Health Services at the Outreach Offices of the U.S. - Mexico Border Health Commission		
Border Health 2013	93.018	20,500
Border Health 2014	93.018	76,061
Border Health 2015	93.018	228,114
Substance Abuse and Mental Health Services Projects of Regional and National Significance		
NM State Suicide Prevention Program 2015	93.243	470,343
Project Launch 2013	93.243	7,586
The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity		
Building & Strengthening PPHF 2014	93.521	84,241
Building & Strengthening PPHF 2015	93.521	350,836
PPHF 2012-Emerging Infections Program 2014	93.521	11,077
PPHF 2012-Emerging Infections Program 2015	93.521	10,705
PPHF Emerging Infections Program 2014	93.521	73,844
PPHF Emerging Infections Program 2015	93.521	192,677
Universal Newborn Hearing Screening		
Newborn Hearing Screening & Intervention 2012	93.251	-173
Newborn Hearing Screening & Intervention 2015	93.251	241,938
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		46,221,051
<u>NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT (EMNRD) FLOW THROUGH GRANT</u>		
Transport of Transuranic Wastes to the Waste Isolation Pilot Plant		
Waste Isolation Pilot Project 2015	81.106	105,089
TOTAL NEW MEXICO EMNRD FLOW THROUGH GRANT		105,089
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
<u>JOINT POWERS AGREEMENTS (JPAS) THROUGH THE NEW MEXICO HUMAN SERVICES DEPARTMENT</u>		
Medical Assistance Program		
Children's Health Insurance Program Reauthorization Act 2015	93.778	122,572

**STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015**

Federal Agency / Pass-Through Agency	Federal CFDA Number	Federal Participating Expenditures
Developmental Disabilities Waiver 2015	93.778	9,021,154
Health Facility Licensing & Certification 2014	93.778	544,623
Health Facility Licensing & Certification 2015	93.778	1,315,525
NM Maternal & Child Health Epidemiology 2015	93.778	153,898
Perinatal Case Management Administration & Outreach 2015	93.778	251,739
Preadmission Screening & Annual Resident Review 2014	93.778	7,141
Preadmission Screening & Annual Resident Review 2015	93.778	324,655
Resource Support & Eligibility Waiver 2015	93.778	399,672
Risk Assessment Monitoring System 2015	93.778	806,429
School and Adolescent Health 2015	93.778	237,048
School Based Health Centers 2015	93.778	693,623
Youth Suicide Prevention 2015	93.778	109,305
Refugee and Entrance Assistance - State Administered Programs		
Refugee Health Medicaid Admin 2015	93.566	80,319
Refugee Health Screening 2015	93.566	35,722
TOTAL NEW MEXICO HUMAN SERVICES DEPARTMENT JPA'S		14,103,425
<u>NEW MEXICO PUBLIC EDUCATION DEPARTMENT</u>		
Race to the Top Early Learning Challenge		
Race to the Top 2015	84.412A	1,119,028
TOTAL NEW MEXICO PUBLIC EDUCATION DEPARTMENT		1,119,028
GRAND TOTAL		
TOTAL FEDERAL GRANT EXPENDITURES/REVENUES		115,898,043
Immunization Grants:		
U.S. Department of Health and Human Services		
Immunization Program Vaccine 2015 (In-Kind)	93.268	<u>34,002,223</u>
Total U.S. Department of Health and Human Services, Center for Disease Control		
TOTAL EXPENDITURES CASH / NON-CASH FEDERAL AWARDS		\$ <u>149,900,266</u>

**STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2015**

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of Federal Awards includes the federal grant activity of the Department under programs of the federal government for the year ended June 30, 2015. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the Department, it is not intended to and does not present the financial position or changes in net position of the Department.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule of expenditures of federal awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained on either the OMB Circular A-87 Cost Principles for State, Local and Indian Tribal Governments, or 2 CFR Part 200 Subpart E (depending on the timing of the initial grant or subsequent funding opportunities), wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

Clusters:	Federal CFDA No.
Medicaid Cluster:	
State Survey and Certification of Health Care Providers	93.777
Medical Assistance Program	93.778

NOTE 3. LOANS OUTSTANDING

The Department does not have any outstanding loans with the federal government nor does it make loans to others.

NOTE 4. NON-CASH ASSISTANCE

Amounts reported under Non-Cash Assistance do not represent cash expenditures but are based upon the value of drug vaccines provided to the State of New Mexico by the Federal Centers for Disease Control.

**STATE OF NEW MEXICO
DEPARTMENT OF HEALTH
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)
JUNE 30, 2015**

NOTE 5. SUBRECIPIENTS

Of the federal expenditures presented in the schedule, the Department provided federal awards to local agencies of the WIC Food and Administration grant (CFDA 10.557) in the amount of \$1,105,943.

First Nations	\$ 231,216
First Choice	<u>874,727</u>
Total	<u>\$ 1,105,943</u>

NOTE 6. RECONCILIATION

Reconciliation of federal expenditures to federal revenue and assistance:

Per financial statements:

Federal revenue	\$ 115,686,755
In-kind assistance (Immunization)	34,002,223
Reimbursement to Federal government for prior year revenues and for other grants	<u>211,288</u>

Per Schedule of Expenditures of Awards	<u>\$ 149,900,266</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**

Retta Ward, Cabinet Secretary
New Mexico Department of Health and
Mr. Tim Keller
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, the budgetary comparisons of the general fund and major special revenue fund, of the New Mexico Department of Health, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the New Mexico Department of Health's basic financial statements, and the combining and individual funds and related budgetary comparisons of the New Mexico Department of Health, presented as supplementary information, and have issued our report thereon dated November 25, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the New Mexico Department of Health'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 New Mexico Department of Health's internal control. Accordingly, we do not express an opinion on the effectiveness of the New Mexico Department of Health'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 charged 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. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2011-001 and 2014-001 that we consider to be significant deficiencies.

Retta Ward, Cabinet Secretary
New Mexico Department of Health and
Mr. Tim Keller
New Mexico State Auditor

Compliance and Other Matters

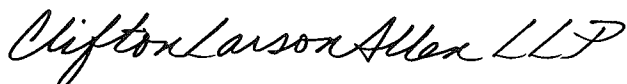
As part of obtaining reasonable assurance about whether the New Mexico Department of Health's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2013-005, 2013-006, 2014-002, 2015-006, and 2015-007.

The New Mexico Department of Health's Responses to Findings

The New Mexico Department of Health's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The New Mexico Department of Health'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
November 25, 2015



CliftonLarsonAllen

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

Retta Ward, Cabinet Secretary
New Mexico Department of Health and
Mr. Tim Keller
New Mexico State Auditor

Report on Compliance for Each Major Federal Program

We have audited the New Mexico Department of Health'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 New Mexico Department of Health's major federal programs for the year ended June 30, 2015. The New Mexico Department of Health'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 New Mexico Department of Health'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 New Mexico Department of Health'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 New Mexico Department of Health's compliance.

Basis for Qualified Opinion on Special Supplemental Nutrition Program for Women, Infants and Children (WIC), Public Health Emergency Preparedness, Family Planning Services, Immunization Cooperative Agreements, Centers for Disease Control and Prevention Investigations and Technical Assistance, Medicaid Cluster Program, HIV Care Formula Grants, and MCH Block Grants

Retta Ward, Cabinet Secretary
New Mexico Department of Health and
Mr. Tim Keller
New Mexico State Auditor

As described in the accompanying schedule of findings and questioned costs, the New Mexico Department of Health did not comply with requirements regarding CFDA 10.557 Special Supplemental Nutrition Program for Women, Infants and Children (WIC), CFDA 93.069 Public Health Emergency Preparedness, CFDA 93.217 Family Planning Services, CFDA 93.268 Immunization Cooperative Agreements, CFDA 93.283 Centers for Disease Control and Prevention_Investigations and Technical Assistance, CFDA 93.777/778 Medicaid Cluster Program, CFDA 93.917 HIV Care Formula Grants, and CFDA 93.994 MCH Block Grants as described in finding numbers 2015-002 for Allowability – Time and Effort Reporting and 2015-003 for Eligibility. Compliance with such requirements is necessary, in our opinion, for the New Mexico Department of Health to comply with the requirements applicable to that program.

Qualified Opinion on Special Supplemental Nutrition Program for Women, Infants and Children (WIC), Public Health Emergency Preparedness, Family Planning Services, Immunization Cooperative Agreements, Centers for Disease Control and Prevention_Investigations and Technical Assistance, Medicaid Cluster Program, HIV Care Formula Grants, and MCH Block Grants

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the New Mexico Department of Health complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Special Supplemental Nutrition Program for Women, Infants and Children (WIC), Public Health Emergency Preparedness, Family Planning Services, Immunization Cooperative Agreements, Centers for Disease Control and Prevention_Investigations and Technical Assistance, Medicaid Cluster Program, HIV Care Formula Grants, and MCH Block Grants for the year ended June 30, 2015.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the New Mexico Department of Health 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 other major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2015-001, 2015-004, and 2015-005. Except as noted above, our opinion on each major federal program is not modified with respect to these matters.

The New Mexico Department of Health's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The New Mexico Department of Health's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Management of the New Mexico Department of Health 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 New Mexico Department of Health'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-

Retta Ward, Cabinet Secretary
New Mexico Department of Health and
Mr. Tim Keller
New Mexico State Auditor

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 New Mexico Department of Health's internal control over compliance.

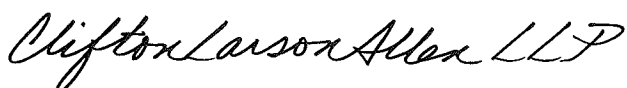
Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses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

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2015-002 and 2015-003 to be material weaknesses.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2015-001, 2015-004, and 2015-005 to be significant deficiencies.

The New Mexico Department of Health's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The New Mexico Department of Health's response were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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
November 25, 2015

**STATE OF NEW MEXICO DEPARTMENT OF HEALTH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2015**

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' 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 auditors' report issued on compliance for major programs: Unmodified, except for a modification with Allowability – Time and Effort Reporting over CFDA 10.557 – Special Supplemental Nutrition Program for Women, Infants and Children (WIC), U.S. Department of Agriculture, and CFDA 93.069 – Public Health Emergency Preparedness, 93.217 – Family Planning Services, 93.268 – Immunization Cooperative Agreements, 93.283 – Centers for Disease Control and Prevention_ Investigations and Technical Assistance, 93.777/778 – Medicaid Cluster Program, and 93.994 – MCH Block Grants, U.S. Department of Health and Human Services.

Also, unmodified, except for a modification with Eligibility over CFDA 10.557 – Special Supplemental Nutrition Program for Women, Infants and Children (WIC), U.S. Department of Agriculture, and CFDA 93.917 – HIV Care Formula Grants and 93.777/778 – Medicaid Cluster Program, U.S. Department of Health and Human Services.

Any audit findings, disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?

yes no

**STATE OF NEW MEXICO DEPARTMENT OF HEALTH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
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SECTION I - SUMMARY OF AUDITORS' RESULTS (CONTINUED)

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
10.557	Special Supplemental Nutrition Program for Women, Infants and Children (WIC)
93.069	Public Health Emergency Preparedness (PHEP)
93.217	Family Planning Services
93.268	Immunization Cooperative Agreements
93.283	Centers for Disease Control and Prevention_ Investigations and Technical Assistance
93.777/93.778	Medicaid Cluster Program
93.917	HIV Care Formula Grants
93.994	MCH Block Grants

Dollar threshold used to distinguish
between type A and type B programs \$3,000,000

Auditee qualified as low-risk auditee? yes no

**STATE OF NEW MEXICO DEPARTMENT OF HEALTH
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SECTION II – FINANCIAL STATEMENT FINDINGS

2011-001 Reconciliations and Financial Close and Reporting (Significant Deficiency)

Condition: During our audit, the following exceptions were noted related to the Department's reconciliation and financial close and reporting process:

- Out of 46 cash packets reviewed for the month of April 2015, 15 packets did not contain reconciliations, 13 packets did not have signed reconciliations by the preparer and reviewer, and 7 packets contained improperly completed reconciliations. For the 15 packets that did not contain reconciliations, 12 were subsequently provided for our review after our inquiry. For the 7 packets that contained improperly completed reconciliations, we noted that the reconciliation did not list deposits in transits nor outstanding checks, but rather was completed as a recap of April 2015 bank activity. We also noted that the reconciliation log was not signed or dated by the Financial Specialist who reviewed the cash packets. The log was subsequently signed by the Financial Specialist with a date of 6/19/2015.
- During test work over capital assets, we noted that the Department did not appropriately review the construction in process balance throughout the year to identify the finished project and transfer to GSD. It was not until we inquired about the CIP balance did the Department conducted research to determine the project was finished and transferred to GSD. Also, noted was that the Department did not reconcile current year additions to the capital outlay SHARE accounts prior to providing the capital asset rollforward for test work. The Department prepared the necessary journal entries, of approximately \$200K, to reconcile these items, but it was not until we inquired about this variance during test work.
- During the audit, there were an excessive number of client prepared entries required to prepare the financial statements in accordance with GAAP. This caused a delay in providing the financial statements for our review.

Management's Progress for Repeat Findings: The Department purchased software in FY15 to assist in preparing the financial statements. The Department, however, still lacks adequate internal controls over the reconciliation and financial close and reporting process.

Criteria: NMAC 2.20.5.8 requires agencies to ensure that all reporting of financial information be timely, complete and accurate.

Cause: Management oversight, lack of effective internal controls surrounding the reconciliation and financial close and reporting process.

Effect: Possible misstatements of the financial statements.

Recommendation: We recommend the Department evaluate all aspects of the reconciliation and financial close and reporting process, and establish effective internal controls and procedures to ensure timely and accurate financial statements and supporting schedules.

**STATE OF NEW MEXICO DEPARTMENT OF HEALTH
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SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

**2011-001 Reconciliations and Financial Close and Reporting (Significant Deficiency)
(Continued)**

Management's Response: Financial Accounting Bureau (FAB) has been working on ensuring that staff is aware of the proper procedures for performing the Bank Account reconciliations along with all other Balance Sheet Accounts. The Department implemented procedures in January 2015 to address reconciliations of all bank accounts and other balance sheet accounts. It was determined that more in-depth training is needed of the accounting staff. The Department has implemented staff wide training for reconciliation procedures and follow-up to ensure that financial personnel understand proper reconciliation procedures. This will occur as needed but no less than annually. The reconciliations will be reviewed by FAB to ensure they are correct and agree with our accounting records. We continue to work with the Department's fiscal staff and the FAB staff to ensure they understand how to perform a correct reconciliation for each type of balance sheet account. The assigned FAB staff is to review the reconciliations for correctness, completeness and timeliness. When complete, they will date and sign the reconciliations and submit them to their supervisor for review and approval.

DOH developed a documented practice and process approach to monthly reconciliations of Balance Sheet accounts, Cash Balances and Fixed Assets. The updated process was implemented in January of 2015. While there has been improvement noted in the monthly reconciliations developed by the Divisions and Financial Accounting Bureau (FAB), the Department has not met its stated policy goal of completed, validated monthly reviews. The Department ASD Division is committed to improving the processes.

The Department remodeled the Harold Runnels building during Fiscal Year (FY) 2014, adding five break-rooms for its staff. This was the Construction in Process (CIP) balance noted above and was a one-time project which was completed in July, 2014. Due to the rare occurrence of CIP at the Department, the tracking method used to account for the cost was not adequate. The total cost was later reconciled and balanced after more scrutiny. For any future projects, we will assign an employee to track all Construction in Process expenditures with a spreadsheet and a project ID or reporting category. At year end, we will also have a supervisor and another financial manager review this data to ensure that all additions of such projects reconcile prior to finalizing and submitting the capital asset reports to the auditors.

For other additions, the Capital Assets Manager will reconcile all Capital Outlay purchases to the designated general ledger accounts in the SHARE system on a monthly basis. The supervisor, along with another Financial Manager, will review these reconciliations to ensure all balances and account codes are correct prior to any adjustments made in SHARE. At year end, we will also have a supervisor and another Financial Manager review this data to ensure that all capital asset additions reconcile to the general ledger prior to finalizing and submitting the capital asset reports to the auditors.

DOH ASD begins the process for year-end review for recognition of necessary transactions in January for the June year end. The process has not been successful in preventing the need to recognize transactions subsequent to year end. ASD understands a more structured process with well documented schedules to guide the Division Financial Managers in the preparation of year end timely recognition of expenditures.

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SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

2014-001 Accounts Receivable (Significant Deficiency)

Condition: During our test work and review of the Department's accounts receivable, we noted the following issues:

- The Department was unable to provide a subsidiary ledger for 1 of the 11 facilities/divisions accounts receivable balance as of June 30, 2015.
- The subsidiary ledgers for 6 of the 10 facilities/divisions did not agree to the accounts receivable balance in SHARE as of June 30, 2015.
- The accounts receivable is reconciled once a year, at year end, rather than once a month.

Management's Progress for Repeat Findings: The Department continues to lack adequate internal controls over the accounts receivable process.

Criteria: The Manual of Model Accounting Practices requires that all state agencies "perform monthly reconciliations" and "Maintain accounts and information as necessary to show the sources of state revenues and the purpose for which expenditures are made and provide proper accounting control to protect state finances. Additionally, Section 6-5-2 NMSA 1978 states that "State agencies shall comply with the model accounting practices established by the Financial Control Division and the administrative head of each agency shall ensure that the model accounting practices are followed".

Cause: Management oversight, lack of effective internal controls surrounding the accounts receivable process.

Effect: Possible misstatements of the financial statements.

Recommendation: We recommend that the Department implement a monthly accounts receivable reconciliation process to ensure that subsidiary ledgers agree to SHARE. We recommend that the Department provide training to employees preparing these reconciliations to ensure accurate reporting. We also recommend that the Department monitor the policies and procedures in place over accounts receivable to ensure that established policies and procedures are being followed.

Management's Response: The reconciliation of the Accounts receivable balances for DOH Divisions that present claims for payment for services provided to patients, clients or customers at the various sites throughout the state are challenging due to several factors:

- The Department does not have one consistent patient/client billing system, sometime within one delivery site. For instance, the Behavioral Health Institute in Las Vegas, NM has different claims processing systems for Behavioral Health, Long Term Care and Pharmacy services. This creates a need for many manual work arounds to properly recognize revenue/ accounts receivable.
- None of the various patient/ client billing systems are integrated with the financial system, SHARE. This requires the recognition of revenue/ accounts receivable to be a manual process.
- There are over 75 sites across the state that provide care/services for which the Department bills third party payers. Many of the sites have personnel that have primarily clinical duties. The administrative component is assigned to these individuals that are not proficient in those areas.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
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SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

2014-001 Accounts Receivable (Significant Deficiency) (Continued)

For over a year, ASD have been developing a structure that will achieve the goal of the monthly recognition and reconciliation of Accounts Receivable and Revenue. This work continues and DOH expects that this will be completed in FY16.

**STATE OF NEW MEXICO DEPARTMENT OF HEALTH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
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SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2015-001 Allowability – Allowable Activities and Costs/Cost Principles (Significant Deficiency and Noncompliance)

Federal Program: CFDA 93.777/778 – Medicaid Cluster Program

Federal Agency: N/A

Pass through Agency: New Mexico Human Services Department (CFDA 93.778)

Federal Award Number/Year: JPA 11-630-8000-0003 (2015) and JPA 96-22 (2015) (CFDA 93.778)

Questioned Costs: \$151

Condition: During A-133 single audit allowable activities and costs/cost principles test work, the following exceptions were noted:

- 1 out of 40 cash disbursements tested had expenditures charged to the grant when the transaction should have been paid 100% with state funds.
- 1 out of 40 cash disbursements tested had the purchase of alcohol reimbursed to an employee incurred while on travel.

Criteria: A-102 Common Rule requires that non-Federal entities receiving Federal Awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations and program compliance requirements. Per OMB Circular A-87, allowed costs under Federal awards are to be necessary and reasonable for proper and efficient performance and administration of the award. Costs of alcoholic beverages are unallowable.

Effect: The Department is in violation of federal requirements.

Cause: Management oversight, lack of effective internal controls.

Auditors' Recommendation: We recommend that the Department implement procedures to ensure compliance with federal requirements.

Management's Response: DOH has a process that requires review of all expenditures by the Division Financial staff, and a subsequent review by the Centralized Accounts Payable auditors. This second level of review has been effective for the most part.

The Manager of the General Accounting Bureau recognizes the need for constant training of the Division AP staff to be able to recognize non-reimbursable request for payment. The manager has implemented a training program to emphasize the review of these requests for reimbursement and ensure only allowable costs are paid.

**STATE OF NEW MEXICO DEPARTMENT OF HEALTH
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SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

**2015-002 (Original Finding Number 2014-003) Allowability – Time and Effort Reporting
(Modification – Material Weakness and Noncompliance)**

Federal Program: CFDA 10.557 – Special Supplemental Nutrition Program for Women,
Infants and Children (WIC)
CFDA 93.069 – Public Health Emergency Preparedness
CFDA 93.217 – Family Planning Services
CFDA 93.268 – Immunization Cooperative Agreements
CFDA 93.283 – Centers for Disease Control and Prevention_
Investigation and Technical Assistance
CFDA 93.777/778 – Medicaid Cluster Program
CFDA 93.994 – MCH Block Grants

Federal Agency: U.S. Department of Agriculture (CFDA 10.557)
U.S. Department of Health and Human Services (CFDAs 93.069, 93.217,
93.268, 93.283, and 93.994)

Pass through Agency: New Mexico Human Services Department (CFDA 93.778)

Federal Award Number/Year: 6NM700504 (2015) (CFDA 10.557)
5U90TP000537-03 (2014) (CFDA 93.069)
FPHPA066031-03 (2014 and 2015) and FPHPA066193-01
(2015) (CFDA 93.217)
5H23IP000716-02 (2014) (CFDA 93.268)
5U50OE000038-02 (2013), 5U50OE000038-03 (2014),
5U58DP003932-03 (2014), and
2U58DP002056-06 (2014) (CFDA 93.283)
JPA 11-630-8000-0003 (2015) (CFDA 93.778)
6 B04MC26683-01-0x (2014) and 1 B04MC28115-01-0x
(2015) (CFDA 93.994)

Questioned Costs: Unknown

Condition: During single audit test work over allowable costs related to time and effort reporting, the following issues were noted which are detailed by CFDA:

CFDA 10.557

- 2 out of 40 payroll transactions tested did not have a completed Federal Funding Compliance Time and Effort Log for the certification period of 4/1/2015 to 9/30/2015.

CFDA 93.069

- 1 out of 40 timesheets reviewed was not signed by the supervisor.
- 5 out of 40 timesheets could not be located, so they were not tested.
- 3 out of 40 timesheets reviewed did not agree to the daily hours entered into SHARE. As a result, the net amount overcharged to the grant totaled approximately \$856.

**STATE OF NEW MEXICO DEPARTMENT OF HEALTH
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SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

**2015-002 (Original Finding Number 2014-003) Allowability – Time and Effort Reporting
(Modification – Material Weakness and Noncompliance) (Continued)**

CFDA 93.217

- 40 out of 40 payroll transactions tested charged wages and benefits based upon allocation percentages utilizing a 2013 time study.

CFDA 93.268

- 1 out of 40 timesheets reviewed did not reflect the actual hours the employee worked on the grant.

CFDA 93.283

- 5 out of 40 timesheets reviewed did not account for the entire time the employee worked during the pay period.
- 3 out of 40 timesheets reviewed did not agree to the daily hours entered into SHARE. As a result, the net amount overcharged to the grant totaled approximately \$2,919.
- 1 out of 40 timesheets reviewed was not signed by the employee.

CFDA 93.777/778

- 7 out of 40 employees did not complete one or more time studies during their specified week of the calendar month.
- 1 out of 40 employees did not have 5 of the 12 time study forms signed by either the employee or the supervisor.

CFDA 93.994

- 7 out of 40 timesheets reviewed did not identify activities according to the distribution of wages and benefits paid.
- 1 out of 40 timesheets was not able to be provided.

Management's Progress for Repeat Findings: This is a repeated and modified finding. The Department has not established nor maintained internal control designed to reasonably ensure compliance with Federal laws, regulations and program compliance requirements as well as compliance with Department policy.

Criteria: A-102 Common Rule requires that non-Federal entities receiving Federal Awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations and program compliance requirements. Per OMB A-133 and federal agreements, the programs will be reimbursed for actual costs incurred. Per 2 CFR Part 225, employees that are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by at least semi-annual certifications and signed by the employee or supervisory official having firsthand knowledge of the work performed by the employee. Also, personnel activity reports or equivalent documentation must account for the total activity for which the employee is compensated and must be

**STATE OF NEW MEXICO DEPARTMENT OF HEALTH
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JUNE 30, 2015**

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

**2015-002 (Original Finding Number 2014-003) Allowability – Time and Effort Reporting
(Modification – Material Weakness and Noncompliance) (Continued)**

signed by the employee. According to Department policy, timesheets and time study forms are to be approved by a supervisor.

Effect: Non-compliance with applicable regulations and Department policy, possible undercharges and overcharges to the federal grants.

Cause: The Department has not established nor maintained internal control designed to reasonably ensure compliance with Federal laws, regulations and program compliance requirements as well as compliance with Department policy.

Auditors' Recommendation: We recommend the Department to establish and maintain internal control to reasonably ensure compliance with Federal laws, regulations and program compliance requirements as well as Department policy.

Management's Response:

CFDA 10.557

All WIC Program Managers were trained on 11/18/15 to review Policy ADM 008. All staff and their supervisors must complete a 100% Federal Funding Compliance form every 6 months. These forms will be scanned into the Region SHARE folder and keep on file for auditing purposes.

CFDA 93.069

On May 1, 2015, the Epidemiology and Response Division (ERD) implemented revised Federal Award Time and Effort Recording Guidelines retroactive to April 1, 2015. These guidelines were developed and implemented in accordance with federal requirements (OMB Circulars and Guidance Pt. 225, App. B – page 163h). It has been determined that the December 26, 2014 revision to the federal requirements did not permit a revision to the guidelines to simplify the process.

Seven (7) of the nine (9) timesheets cited were for pay periods prior to the implementation of the revised ERD Guidelines. Two (2) of the nine (9) timesheets cited were during the quarter immediately following the implementation of the revised guidelines and related to the hours entered in SHARE not matching the actual amount paid.

It is anticipated that the revised guidelines will address the issues noted above. ERD will request the DOH Office of Internal Audit to complete an audit during FY 2016 to determine whether the revised guidelines have successfully done so.

CFDA 93.217

Time tracking was conducted from 9/14/15 – 9/25/15. It was conducted again from 10/2/15 – 10/19/15 for one of the Regions that did not take the time tracking in September.

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SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

**2015-002 (Original Finding Number 2014-003) Allowability – Time and Effort Reporting
(Modification – Material Weakness and Noncompliance) (Continued)**

The funding changes based on the 2013 time tracking were put in place in January 2014. Below is an excerpt from the continuation grant submitted and accepted by DHHS/Office of Population Affairs (OPA.)

Program narrative 2014 grant (January 1, 2014 – December 30, 2014):

The FPP conducted the time tracking system (TTS) for all employees in the Public Health Division who did family planning work from January 7 – January 18, 2013. This grant application reflects the adjusted salaries and wages based on the FPP TTS.

In the extension of the 2014 grant DHHS/OPA accepted the continuation grant which stated that the FPP will continue to use the funding percentages listed in the 2014 grant.

Program narrative 2014 grant extension (December 31, 2014 – March 30, 2015):

For the 2014 grant, budget was revised to reflect changes in salary based on the FPP Time Tracking System. The FPP will continue to utilize the outcome data in this fashion during the three-month period for the requested grant extension.

CFDA 93.268

Immunization Program has a robust policy and procedure in place to accurately reflect federal timekeeping. This one case occurred in September of 2014, right after the last year's audit, and the new system was only recently in place. One person managed to get around the timesheets that automatically allocate hours to Federal and state depending on the funding breakdown of each individual. To prevent this from occurring again, the timesheet used to do this funding breakout will get an added protection of a password protected formula that cannot be changed by staff who use it, but only by the owner.

CFDA 93.283

Management is obtaining increased access for our business operations in SHARE so we can run HCM queries. The ability to run HCM queries will allow our business operations position to reconcile our federal time sheets to SHARE data.

CFDA 93.777/778

Developmental Disabilities Support Division (DDSD) Management will remind all employees to comply with DDSD time study policy and procedures which specify timely reporting of work activities on the DDSD time study form to their supervisors.

The Division of Health Improvement will create a better tracking and internal audit system to ensure all the timestudy sheets are turned in on time and that all the proper signatures are obtained.

**STATE OF NEW MEXICO DEPARTMENT OF HEALTH
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SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

**2015-002 (Original Finding Number 2014-003) Allowability – Time and Effort Reporting
(Modification – Material Weakness and Noncompliance) (Continued)**

CFDA 93.994

The Family Health Bureau performs a variety of activities, all of which are allowable services under the Maternal and Child Health Title V Block Grant. Therefore, staff generally record their time as being 100% applicable to Title V activities. Since Title V requires a General Fund match, and since there are Other Revenue sources required to support the Bureau activities, the Bureau's budget is set up by funding source and the actual payroll is charged to the various revenue sources, even though all the activities are considered Title V services. The only time that an employee would show their time as other than 100% Title V would be in the case of another restricted source of funding (e.g., another grant). There were a couple of positions in the regions that were mistakenly being funded out of Title V and therefore staff was not reporting their activity as 100% Title V, but this has been corrected. Staff have also been provided with written policy and procedures for time reporting.

2015-003 (Original Finding Number 2014-004) Eligibility (Modification – Material Weakness and Noncompliance)

Federal Program: CFDA 10.557 – Special Supplemental Nutrition Program for Women,
Infants and Children (WIC)
CFDA 93.917 – HIV Care Formula Grants
CFDA 93.777/778 – Medicaid Cluster Program

Federal Agency: U.S. Department of Agriculture (CFDA 10.557)
U.S. Department of Health and Human Services (CFDA 93.917)

Pass through Agency: New Mexico Human Services Department (CFDA 93.778)

Federal Award Number/Year: 6NM700504 (2015) (CFDA 10.557)
X07HA00084-24 (2014) and X07HA00084-25 (2015) (CFDA
93.917)
JPA 11-630-8000-0003 (2015) (CFDA 93.778)

Questioned Costs: \$0

Condition: During single audit test work over eligibility, the following issues were noted which are detailed by CFDA:

CFDA 10.557

- 13 out of 40 files tested did not contain sufficient documentation in the notes related to the determination of residency. Dropdown box selections consisted of Other Valid Verification, Letter Verifying Application, and Other Bill Verifying. However, no notes were in the file as to the specifics of the documents viewed.
- 1 out of 40 files tested did not contain sufficient documentation related to the determination of income. The clinic stated that the participant would not provide the income information to the clerk. Documentation has to be provided to determine income eligibility.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2015**

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

2015-003 (Original Finding Number 2014-004) Eligibility (Modification – Material Weakness and Noncompliance) (Continued)

- During our review of client files, we noted that there is not a consistent manner in which documentation of identity determinations is being done. Copies of the documents themselves used to determine identity eligibility are not maintained and there is not a process in place for notating the documents viewed.
- 3 out of 40 files tested did not have the benefits properly calculated and no notes were in the file as to the reason why. The client either left with the incorrect benefit package or no package at all when certified.
- 1 out of 40 files tested did not have a review of the file since the same individual signed when determining income eligibility and screening for nutritional risk.

CFDA 93.917

- 1 out of 40 files tested did not have the ACCESS Enrollment Form signed by a DOH Health Coordinator at the time of eligibility certification. The participant entered the program on 11/16/2014, but the form was not signed until 8/18/2015.

CFDA 93.777/778

- 2 out of 40 files tested did not contain documentation to support entry into the program as a Jackson Class Member.
- 1 out of 40 files tested did not contain a signed DD Waiver/SGF Eligibility Determination Worksheet by the reviewer nor was it completed in full.
- 4 out of 40 files tested did not contain the DD Waiver/SGF Eligibility Determination Worksheet or the contact notes narrative, as applicable, evidencing review by a responsible employee.

Management's Progress for Repeat Findings: This is a repeated and modified finding. The Department has not established nor maintained internal control designed to reasonably ensure compliance with Federal laws, regulations and program compliance requirements as well as compliance with Department policy.

Criteria: A-102 Common Rule requires that non-Federal entities receiving Federal Awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations and program compliance requirements. Per 7 CFR sections 246.7(c), (d), (e), (g), and (l), to be certified eligible for WIC Program benefits, the applicants must meet categorical, identity and residency, income, and nutritional risk eligibility criteria. In accordance with Policy Number CO 003 of the WIC Policy and Procedures Manual, Part III Separation of Duties, when only one WIC employee is available to conduct certifications and issue benefits for applicants/participants other than themselves, their relatives or friends, the WIC Region Nutrition Supervisor shall review ten percent of all participant records that were certified and benefits issued by the one staff person during that particular day(s). The record review shall be completed within 30 days and shall be kept on file and made available for review during quality assurance monitoring. Per HIV Care Formula Grants Program policy, the Access Enrollment Form is to be signed by a DOH Health Coordinator on the date of eligibility review. Per Program Compliance Supplement Part 4 for 93.MEDICAID, the State agency must have facts in the case record to support the agency's eligibility determination.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2015**

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

2015-003 (Original Finding Number 2014-004) Eligibility (Modification – Material Weakness and Noncompliance) (Continued)

Effect: Non-compliance with applicable regulations and policies, possible non-eligibility of participants receiving benefits and improper issuance of benefits.

Cause: Lack of effective internal controls associated with the eligibility process.

Auditors' Recommendation: We recommend the Department to implement effective internal controls and monitor the process to reasonably ensure compliance with regulations and policies.

Management's Response:

CFDA 10.557

As of September 1, 2015, NM WIC staff will now document the following in client chart. All WIC staff received an e-mail on September 1, 2015 stating these changes:

- Staff will now document in the client's chart proof of residency and identity.
- One client file was found to have appropriate review and signatures showing the client's eligibility was confirmed and documented. However, the audit found that in this file the employee signature was delayed and post-dated the client's entry into the program and services. To ensure that this error is not repeated, the HIV Services Program has already strengthened program procedures. Each HIV Service Provider (HSP) contractor has an assigned program team member to serve as their liaison. All program liaisons have been trained on this error and the strengthened procedures to ensure timely review and timely signature on client eligibility. Staff will document in client chart what source of income was used if "other source" was checked in WIC Application.
- WIC Managers and Supervisors will train staff that correct food packages must be issued on the day of certification, a determination of ½ or full food benefit will be assessed and issued correctly.
- WIC Managers and Supervisors will perform audit using the "Audit Certification/Separation of Duties" form when a WIC Staff member performs client certification from beginning to end. These documents must be kept in Region as well as being scanned to Region Share folder to be accessed by state office staff.
- Policy changes are being made to address updated practices.

CFDA 93.917

One client file was found to have appropriate review and signatures showing client eligibility was confirmed and documented. However, the audit found that in this file the employee signature was delayed and post-dated the client's entry into the program and services. To ensure that this error is not repeated, the HIV Services Program has already strengthened program procedures. Each HIV Service Provider (HSP) contractor has an assigned program team member to serve as their liaison. All program liaisons have been trained on this error and the strengthened procedures to ensure timely review and timely signature on client eligibility

**STATE OF NEW MEXICO DEPARTMENT OF HEALTH
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SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

2015-003 (Original Finding Number 2014-004) Eligibility (Modification – Material Weakness and Noncompliance) (Continued)

CFDA 93.777/778

The DDS will review the case file of each Jackson Class Member to ensure that it contains documentation that the individual is eligible for the DD Waiver program. If the case file does not currently contain this documentation, the Regional Office Bureau will obtain such documentation and enter it into the case file.

The Intake and Eligibility Bureau will address these two findings through the following actions:

- All applications completed (added to completed status) within the current fiscal year (2016) will be reviewed by a supervisor, or designee, to verify the DD Waiver/SGF Determination Worksheet has been completed and appropriately documented.
- A sample of applications completed over the last 10 years will be selected and reviewed to determine if the deficient documentation noted in the audit findings is the result of different documentation practices in place prior to 2005. Review of such a sample should confirm or rule out possible deficiencies in the current documentation practices.
- Any deficiencies revealed by the above activities will be addressed in updated staff training materials.

2015-004 (Original Finding Number 2013-002) Federal Program Reporting (Significant Deficiency and Noncompliance)

Federal Program: CFDA 93.217 – Family Planning Services

Federal Agency: U.S. Department of Health and Human Services

Federal Award Number/Year: FPHPA066031-03 (2014 and 2015) (CFDA 93.217)

Questioned Costs: \$0

Condition: During A-133 single audit reporting test work, we noted 1 out of 2 financial reports tested were not complete with the amount of program income generated or the state match requirement and recipient share of expenditures.

Management's Progress for Repeat Findings: This is a repeated and modified finding. The Family Planning Services Program has begun including the required elements in its reports. The finding is a result of the report not being modified after our findings were issued for the FY14 audit.

Criteria: Per OMB Circular A-133, *Compliance Requirements Reporting – Financial Reporting*, the Department is required to maintain reports specified by the Federal agency.

STATE OF NEW MEXICO DEPARTMENT OF HEALTH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2015

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

2015-004 (Original Finding Number 2013-002) Federal Program Reporting (Significant Deficiency and Noncompliance)

Effect: The Department is in violation of federal requirements.

Cause: At the time the report was completed, the Department was not aware that these elements were to be reported on the financial reports.

Auditors' Recommendation: We recommend the Department review the grant agreement and instructions for completing reports to ensure that reports are complete with required information. We also recommend that the Department implement procedures to ensure compliance with reporting requirements.

Management's Response: For Reporting Period End Date 06/30/2014, the revenue and income were not reported. The FFR will be revised and kept on file. This FFR was submitted 7/30/2014 which was before the 2014 audit finding. In future FFRs, the recipient share of expenditures and program income will be reported on separate lines.

2015-005 (Original Finding Number 2013-007) Special Tests and Provisions (Significant Deficiency and Noncompliance)

Federal Program: CFDA 93.777/778 – Medicaid Cluster Program

Federal Agency: N/A

Pass through Agency: New Mexico Human Services Department (CFDA 93.778)

Federal Award Number/Year: JPA 11-630-8000-0003 (2015) (CFDA 93.778)

Questioned Costs: \$0

Condition: During single audit test work over special tests and provisions, the following issues were noted:

CFDA 93.777/778

- 5 out of 11 files reviewed did not contain either or both the Surveyor's Signature or the signature for State Survey Agency Approval on form CMS-1539 Medicare/Medicaid Certification and Transmittal for the Health and Life Safety Standards surveys.
- 1 out of 11 Health and 1 out of 11 Life Safety Standards surveys did not have form CMS-1539 Medicare/Medicaid Certification and Transmittal that could be provided.
- 5 out of 11 Health and 3 out of 11 Life Safety Standards surveys did not contain an initialed form CMS-2567B Post-Certification Revisit Report by the reviewing official nor were they signed by the surveyor.
- 1 out of 11 Health and 1 out of 11 Life Safety Standards surveys did not have form CMS-2567B Post-Certification Revisit Report that could be provided.
- 2 out of 11 Health and 2 out of 11 Life Safety Standards surveys did not have a Plan of Correction form signed by the surveyor.

**STATE OF NEW MEXICO DEPARTMENT OF HEALTH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2015**

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

2015-005 (Original Finding Number 2013-007) Special Tests and Provisions (Significant Deficiency and Noncompliance)

Management's Progress for Repeat Findings: This is a repeated and modified finding. The Medicaid Cluster Program was not part of the FY14 finding. There continues to be a lack of effective internal controls surrounding Special Tests and Provisions.

Criteria: Per 2762A - Purpose of Form CMS-1539 contained in Chapter 2 - The Certification Process of the State Operations Manual, the form CMS-1539 together with the State Agency certification file, constitutes the primary record of the determination to approve a provider or supplier. It is essential that the State Agency completes each item fully and accurately. Per 2764 - SA Completion Instructions for Certification and Transmittal, the surveyor (or survey team leader) signs and dates Form CMS-1539 after ensuring that the certification documents are complete and accurate. This signature constitutes for Medicare the official certification that the information being reported is correct according to official State files. Per 2732B - Form CMS-2567B contained in Chapter 2 - The Certification Process of the State Operations Manual, the SA has the completed form initialed by the reviewing official and signed by the surveyor.

Effect: The Department is not maintaining adequate records.

Cause: Lack of effective internal controls associated with the meeting the special tests and provisions requirements.

Auditors' Recommendation: We recommend the Department convey the importance of maintaining adequate records. Also, we recommend that the Department implement procedures to ensure compliance with CMS requirements.

Management's Response: The #1539 certification form referenced serves two separate purposes. First, it is used to notify CMS Medicare of a Medicare facilities compliance and does not require signature. Second, it is used to notify the Human Services Department, Medical Assistance Division (MAD), which is the State Medicaid Agency, of compliance. This second purpose is for facilities that receive Medicaid funds (regardless of whether Medicare funds are received). The #1539 forms that go only to Medicaid should be signed - since we do not know which specific files included unsigned forms, we cannot respond to whether they should be signed or not.

If the survey was for a Medicare or Medicaid funded facility, a #1539 form is required. The form is automatically generated by the ASPEN database and is required to be completed before the survey can be uploaded. The files requested were for uploaded surveys. Therefore, the #1539 form would exist in the ASPEN database, but may not have been printed for this file. CMS does not require a hard copy of the form.

The CMS-2567B reports are automatically generated in the ASPEN database as soon as a surveyor enters that a revisit survey resulted in compliance. The survey is then uploaded. The database accepts the surveyor's entry of the revisit survey as their electronic signature. All CMS-2567B forms are in the ASPEN database. It is not mandatory for the surveyor to print and initial the CMS-2567B report.

**STATE OF NEW MEXICO DEPARTMENT OF HEALTH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2015**

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)

2015-005 (Original Finding Number 2013-007) Special Tests and Provisions (Significant Deficiency and Noncompliance) (Continued)

The CMS-2567B reports are automatically generated in the ASPEN database as soon as a surveyor enters that a revisit survey resulted in compliance. The survey is then uploaded. The database accepts the surveyor's entry of the revisit survey as their electronic signature. All CMS-2567B forms are in the ASPEN database. While the form may not have been provided upon request, it can be printed from the database to demonstrate compliance.

The Plan of Correction form is a state-only internal form that is not required by federal regulations. The form notifies the survey processing clerks that the Plan of Correction was approved by the surveyor so the clerk can complete the first upload of the survey. It is not a state requirement that the form be signed.

**STATE OF NEW MEXICO DEPARTMENT OF HEALTH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2015**

SECTION IV – OTHER

2013-005 Gas Card Control Process (Compliance and Other Matters)

Condition: During the internal control test work over gas cards, we noted the following issues:

- 3 out of 3 fuel card exception reports for one division, NMBHI, were not reviewed in a timely manner.
- Out of the 3 months of exception reports reviewed, we noted 6 missing receipts totaling an approximate amount of \$281.
- We also noted 19 unauthorized fuel purchases.

Management's Progress for Repeat Findings: The Department continues to lack adequate internal controls over the gas card process.

Criteria: 1.5.3.19 NMAC – Each agency will evaluate fuel purchase exceptions reports provided by the fuel credit card company on a monthly basis. (1) Each agency shall establish use requirements and parameters on their fleet. Such parameters will include multiple daily transactions, number of gallons purchased at one time, limit dollars per transaction, off hour transaction, non-fuel transactions, and unauthorized purchases (soda, candy, etc.). (2) Transactions that cannot be justified must be investigated with a formal report summarizing the findings with recommendations. A copy of the report will be sent to the State Central Fleet Authority.

Cause: Management oversight.

Effect: The Department is not in compliance with NMAC 1.5.3.19 or department policy.

Recommendation: We recommend management establish effective controls and procedures to ensure gas cards are in compliance with applicable laws and department policy.

Management's Response: In response to the first item, ASD/Fleet Management will work with NMBHI to prepare an action plan that will address the review and submission of the exception reports in a timely manner. In addition, ASD/Fleet Management will work with NMBHI on a timeline and implementation of the created action plan.

For item two, ASD/Fleet Management will provide training related to the required documentation and process related to fleet management. The training will reiterate that staff is required to provide all receipts to support vehicle logs and that the fleet coordinators are to ensure the logs are completed accurately. Documentation will be required if logs or receipts are inconsistent or missing justifications which must be attached to the logs. The justification memorandums must clearly identify what happened and that all receipts will be kept in the future. In addition we plan to update the policy to address adequate documentation for lost receipts.

In response to item three, the unauthorized fuel purchases related to the purchases of Unleaded Plus and Supreme fuel purchases instead of regular fuel. ASD/Fleet Management requests justification for each Unleaded Plus and Supreme fuel purchase. In most cases, staff mistakenly put in the incorrect fuel type. Currently a justification form is required which shows that the driver was counseled and reviewed the vehicle use policy. When we update the policy we will include a revision that will allow a justification form to address mistaken fuel purchases.

STATE OF NEW MEXICO DEPARTMENT OF HEALTH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2015

SECTION IV – OTHER (CONTINUED)

2013-006 Payroll Approved Pay Rates (Non-compliance in accordance with the New Mexico State Audit Rule)

Condition: During the internal control test work over payroll, we noted the following issues:

- 1 out of 22 employee's recalculated gross pay did not agree to the gross pay per SHARE by \$2.15.
- 2 out of 10 employees were overpaid during the year in a total approximate amount of \$858 due to an unadjusted temporary recruitment differential when the employees received the FY15 legislative increase.
- 1 out of 19 employee's leave reported on the pay period ending 1/2/2015 time exception report submitted by the employee and signed by the supervisor did not reflect the time entered into and paid out per SHARE.

Management's Progress for Repeat Findings: The Department continues to lack adequate internal controls over payroll approved pay rates.

Criteria: The Department should have effective controls established to ensure only authorized amounts are paid to an employee and that the payroll records adequately reflect time worked and leave taken.

Cause: The Department could not explain nor support the discrepancy between the authorized pay rate and the recalculated pay rate. Management oversight and lack of effective controls.

Effect: Possible over or underpayments. Payroll records not supporting actuals.

Recommendation: We recommend that the Department establish effective controls and procedures to ensure employees are paid at their authorized pay rates, any discrepancies are researched and addressed accordingly, and actual time worked and amounts paid are supported.

Management's Response: The DOH Human Resources Bureau (HRB) developed a review process to ensure proper payment of payroll amount. Included is the training of managers and supervisors. The training includes a component of reviewing the hours worked presenting in HCM.

DOH Internal Audit will quarterly review a sample of pay rates compared to the documentation in the employee record.

2014-002 Network Access (Compliance and Other Matters)

Condition: During the internal control test work over user access as it relates to the IT environment, we noted that 2 out of 4 employees tested did not have their access disabled within a timely manner after the effective date of termination. The former employees had an effective date of termination of 9/15/2014 and 1/1/2015, but access was not disabled until 9/29/2014 and 6/15/2015 yielding a 14 and 165 date difference, respectively.

Management's Progress for Repeat Findings: The Department continues to lack adequate internal controls over network access.

**STATE OF NEW MEXICO DEPARTMENT OF HEALTH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2015**

SECTION IV – OTHER (CONTINUED)

2014-002 Network Access (Compliance and Other Matters) (Continued)

Criteria: The Department should have effective controls and procedures in place to ensure user access is promptly disabled upon termination of an employee from the Department to prevent unauthorized access.

Cause: Lack of effective controls and procedures surrounding the employee termination process.

Effect: Possible unauthorized access to the system or unauthorized changes to the system.

Auditors' Recommendation: We recommend management establish effective controls and procedures to ensure terminated employees' system access are removed promptly.

Management's Response: The reporting between Human Resource Bureau (HRB) and IT has been less than adequate. The issue has been the difficulty in developing a consistent reporting mechanism to ensure timely reporting to the IT Department. Often the manager that is aware of the pending departure of an employee does not complete the necessary documentation to include IT. HRB and IT have created a reporting process whereby IT will receive a listing of individuals hired or separated. IT will then gather the necessary documentation for programs to properly affect system access.

The DOH Office of Internal Audit will test the updated process during FY16 and report on the effectiveness of the new process.

2015-006 Travel and Per Diem (Compliance and Other Matters)

Condition: During our testing of travel and per diem disbursements, we noted 3 out of 22 travel reimbursements did not contain the signature acknowledging employee travel exceeding the \$1,500 threshold.

Criteria: The Department should have policies and procedures to ensure travel and per diem disbursements are made in compliance with Section 10-8-4 NMSA. In addition, section 10-8-5 NMSA states that any person who is not an employee, appointee or elected official of a county or municipality and who is reimbursed under the provisions of the Per Diem and Mileage Act in an amount that singly or in the aggregate exceeds one thousand five hundred dollars (\$1,500) in any one year shall not be entitled to further reimbursement under the provisions of that act until the person furnishes in writing to his department head or, in the case of a department head or board or commission member, to the governor or, in the case of a member of the legislature, to the New Mexico legislative council an itemized statement on each separate instance of travel covered within the reimbursement, the place to which traveled and the executive, judicial or legislative purpose served by the travel.

Cause: Management oversight.

Effect: Non-compliance with applicable statutes.

Auditors' Recommendation: We recommend management establish procedures to ensure compliance.

**STATE OF NEW MEXICO DEPARTMENT OF HEALTH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2015**

SECTION IV – OTHER (CONTINUED)

2015-006 Travel and Per Diem (Compliance and Other Matters) (Continued)

Management's Response: The Department acknowledges that proper travel tracking procedures were not fully adhered to. A key employee within the General Accounting Bureau retired. As a result, there was insufficient oversight of this process to fully account for all travel expenses. The log of travel costs was being updated by the individual auditor, causing a lack of continuity in recording all travel expenses on the log. In order to prevent future incidents of improper accounting of travel expenses, the log will be maintained by the Accounts Payable Supervisor and reviewed periodically with the Bureau Chief to ensure proper oversight and accounting for all travel expenses.

2015-007 Cash Receipts Not Recorded or Deposited in a Timely Manner (Compliance and Other Matters)

Condition: During our test work over cash receipts, we noted 1 out of 22 receipts in the amount of \$10 was not deposited before the close of the next succeeding business day after the receipt of the money.

Criteria: According to the Manual of Model Accounting Practices (MAPs) Section FIN 2.1, all cash received by agencies must be recorded timely and accurately in accordance with state statute. NMSA 6-10-3 states that state agencies receiving any money in cash or by check deliver or remit to the state treasurer such receipts before the close of the next succeeding business day after the receipt of the money.

Cause: Management oversight, lack of effective processes surrounding the receipting process to ensure timely deposits

Effect: Non-compliance with applicable laws and regulations.

Auditors' Recommendation: We recommend that management establish effective processes to ensure that all cash received is recorded at the time of receipt and deposited by the end of the next business day.

Management's Response: Department of Health agrees with this finding. It is the Department's policy to ensure that all deposits are made on a daily basis and no later than the next business day. The Tucumcari Field office where the transaction took place and the supervisors in the Public Health Offices have been reminded by the Financial Accounting Bureau (FAB), Cash Management supervisor, that all deposits are to be made no later than the next business day to ensure compliance with the State of New Mexico "24 hour deposit rule". The Field Office stated they will be more diligent in ensuring the deposits are made timely to ensure compliance.

**STATE OF NEW MEXICO DEPARTMENT OF HEALTH
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2015**

2010-011	Untimely Reversion to State General Fund	Resolved
2011-001	Reconciliations and Financial Close and Reporting	Revised/Repeated
2015-004 (Originally 2013-002)	Federal Program Reporting	Revised/Repeated
2013-005	Gas Card Control Process	Revised/Repeated
2013-006	Payroll Approved Payrates	Revised/Repeated
2015-005 (Originally 2013-007)	Special Tests and Provisions	Revised/Repeated
2014-001	Accounts Receivable	Revised/Repeated
2014-002	Network Access	Revised/Repeated
2015-002 (Originally 2014-003)	Allowability – Time and Effort Reporting	Revised/Repeated
2015-003 (Originally 2014-004)	Eligibility	Revised/Repeated
2014-005	Program Income	Resolved
2014-006	Reconciliation of Indirect Cost Rate Data to Financial Data	Resolved

**STATE OF NEW MEXICO DEPARTMENT OF HEALTH
EXIT CONFERENCE
JUNE 30, 2015**

An exit conference was held with the Department on December 1, 2015. The conference was held at the offices of the Department of Health 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 HEALTH

Leonard Tapia, DOH-CFO and ASD Director
Retta Ward, DOH-Cabinet Secretary
James Chadburn, CPA, CGFM, CGMA, DOH-FAB Bureau Chief
Kim Keahbone, CPA, DOH-ASD Deputy Director
Lynn Gallagher, DOH-Deputy Secretary

CLIFTONLARSONALLEN LLP

Georgie Ortiz, CPA, CGFM, Principal in Charge
Laura Beltran-Schmitz, CPA, CFE, Engagement Director
Jane Tinker, CPA, Senior Associate