

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES  
DEPARTMENT**

**FINANCIAL STATEMENTS AND SCHEDULES**

**(With Independent Auditors' Reports Thereon)**

**FISCAL YEAR ENDED JUNE 30, 2015**

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

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## INTRODUCTORY SECTION

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT  
OFFICIAL ROSTER  
JUNE 30, 2015**

<b>Name</b>	<b>Title</b>
Monique Jacobson	Secretary
Jennifer Saavedra	Deputy Secretary
Tamera Marcantel	Director of Juvenile Justice Services
Jennifer Padgett	Director of Administrative Services
Jared Rounsville	Director of Protective Services
Daphne Rood-Hopkins	Director of Youth and Family Services
Steve Hendrix	Director of Early Childhood Services
Vacant	Chief Information Officer





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## INDEPENDENT AUDITORS' REPORT

Monique Jacobson, Secretary  
NM Children, Youth and Families Department  
and Mr. Timothy Keller, New Mexico State Auditor  
Santa Fe, New Mexico

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund of the NM Children, Youth and Families Department (the Department), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the Department's nonmajor governmental, fiduciary funds and the budgetary comparisons for the nonmajor funds presented as supplementary information, as defined by the Government Accounting Standard 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Department as of June 30, 2015, and the respective changes in financial position and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental and fiduciary fund of the Department as of June 30, 2015, and the respective changes in financial position thereof and the respective budgetary comparison for the nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 2, the financial statements of the Department are intended to present the financial position and changes in financial position of only that portion of the governmental activities, each major fund, the aggregate remaining fund information and all respective budgetary comparisons of the State of New Mexico that is attributable to the transactions of the Department. They do not purport to, and do not present fairly the financial position of the entire State of New Mexico as of June 30, 2015, and the changes in the financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 13 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the Department's basic financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The Schedule of Expenditures of federal awards as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the other schedules required by Section 2.2.2 NMAC as listed in the table of contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards and other schedules required by Section 2.2.2 NMAC are the responsibility of management and were derived from and relates 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 award and other schedules required by Section 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.


NM Children, Youth and Families Department  
and New Mexico State Auditor

We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, the Department's basic financial statements for the year ended June 30, 2014, which are not presented with the accompanying financial statements. In our report dated December 15, 2014, we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, the aggregate remaining fund information and the budgetary comparison of the general fund. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Department's financial statements as a whole. The 2014 actual information included in the general fund component budgets in schedules 1 through 10 and the ARRA fund budget in schedule 26 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2014 financial statements. The information has been subjected to the auditing procedures applied in the audit of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2014 actual amounts are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

The Schedule of Vendor Information as required by Section 2.2.2.10 (A)(2)(g) NMAC 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.

**Other Reporting Required by Government Auditing Standards**

In accordance with Governmental Auditing Standards, we have also issued our report dated November 23, 2015 on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Department's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Albuquerque, New Mexico  
November 23, 2015

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)**

**For the Year Ended June 30, 2015**

The following *Management's Discussion and Analysis*, or MD&A, for the State of New Mexico, Children, Youth and Families Department (the Department) introduces the basic financial statements and provides an analytical overview of the Department's financial condition and results of operations for fiscal year ending June 30, 2015. Additionally, the MD&A provides a discussion of significant changes in the account categories 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.

**OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

Although the Department is one of several agencies within 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 three elements: (1) *Management's Discussion and Analysis*, (2) the *Basic Financial Statements*, and (3) *Other Supplementary Information*. The basic financial statements include two kinds of statements that present different views of the Department:

- The first two 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 net position. All revenues and expenses are accounted for in the *Statement of Activities* regardless of when cash is received or disbursed. The remaining statements are fund financial statements.
- *Governmental funds statements*, including the *Balance Sheet* and the *Statement of Revenues, Expenditures, and Change in Fund Balance*, focus on individual parts of the Department, reporting the Department's financial condition and results of operations in more detail than 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.
- *Statement of Revenues and Expenditures – Budget and Actual (Non-GAAP Budgetary Basis)* reports the original approved budget, final approved budget, and actual results presented on the budgetary basis of reporting for the general fund and all major funds. A separate column is presented to report any variances between the final budget and actual amounts.
- *Statement of Fiduciary Net Position* 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* and the *Other Supplementary Information* sections.

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)**

**For the 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:

	Current year June 30, 2015	Prior year June 30, 2014	Favorable or (Unfavorable)	Percentage Change
<b>Assets</b>				
Current assets	\$ 69,521,833	\$ 66,817,844	\$ 2,703,989	4.05%
Capital assets	947,546	1,629,897	(682,351)	-41.86%
Total Assets	<u>70,469,379</u>	<u>68,447,741</u>	<u>2,021,638</u>	<u>2.95%</u>
<b>Liabilities</b>				
Current liabilities	47,988,501	48,031,936	(43,435)	-0.09%
Long - term liabilities	5,542,984	5,518,268	24,716	0.45%
Total liabilities	<u>53,531,485</u>	<u>53,550,204</u>	<u>(18,719)</u>	<u>-0.03%</u>
<b>Net Position</b>				
Investment in capital assets	947,546	1,629,897	(682,351)	-41.86%
Restricted	17,297,153	14,157,771	3,139,382	22.17%
Unrestricted	(1,306,805)	(890,131)	(416,674)	46.81%
Total Net Position	<u>\$ 16,937,894</u>	<u>\$ 14,897,537</u>	<u>\$ 2,040,357</u>	<u>13.70%</u>
<b>Program revenues and expenses</b>				
Program revenues	\$ 191,989,810	\$ 159,458,711	\$ 32,531,099	20.40%
Program expenses	(422,081,928)	(383,560,992)	(38,520,936)	10.04%
Net expense	<u>(230,092,118)</u>	<u>(224,102,281)</u>	<u>(5,989,837)</u>	<u>2.67%</u>
<b>General revenues (expenses)</b>				
General fund and special appropriations	233,567,469	228,575,000	4,992,469	2.18%
Other revenue	1,378,476	1,614,423	(235,947)	-14.61%
Other sources/(uses), net	(1,794,892)	(1,789,970)	(4,922)	0.27%
Total general revenues (expenses)	<u>233,151,053</u>	<u>228,399,453</u>	<u>4,751,600</u>	<u>2.08%</u>
Reversion to State General Fund	(1,018,578)	(1,741,619)	723,041	-41.52%
Change in net position	<u>2,040,357</u>	<u>2,555,553</u>	<u>(515,196)</u>	<u>-20.16%</u>
Beginning net position	14,897,537	12,341,984	2,555,553	20.71%
Ending net position	<u>\$ 16,937,894</u>	<u>\$ 14,897,537</u>	<u>\$ 2,040,357</u>	<u>13.70%</u>

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)**

**For the 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:

- *Current Assets* increased by \$2,703,989 or 4.05 percent. The net increase consists of many changes over the prior year as follows: State Fund Investment Pool decreased by \$1,941,331, Accounts Receivable decreased by \$830,450, Due from Agency Fund increased by \$26,654, Due from Other Agencies increased \$2,931,592, Supplies Inventory decreased by \$36,341, Other Assets decreased by \$462 and Investments at State Investment Council increased by \$2,555,077.
- *Capital Assets and Investment in Capital Assets* decreased by \$682,351 or 41.86 percent due to the transfer of the Lincoln Pines Youth Center improvements to the New Mexico General Services Department.
- *Total Assets* increased by \$2,021,638 or 2.95 percent. See discussions under *Current Assets* and *Capital Assets and Investment in Capital Assets* above.
- *Current Liabilities* decreased by \$43,435 or .09 percent due to several changes of the liability accounts as follows: Deficit in the Stage Fund Investment Pool decreased by \$2,609,325, Accounts payable increased by \$1,170,348, Due to other agencies decreased by \$115,375, Due to State General Fund decreased by \$584,723, Due to federal government decreased by \$270,340, Compensated Absences increased by \$57,669 and other related payroll liabilities and withholdings increased by \$338,994, Accrued Payroll increased by \$286,078, and Unearned Revenue increased by \$366,364.
- *Long-Term Liabilities* increased by \$24,716 or .45 percent due to the change in long term portion of compensated absences:
- *Total Liabilities* decreased by \$18,719 or .03 percent. See discussion under *Current Liabilities* above.
- *Restricted Net Position* increased by \$3,139,382 or 22.17 percent mainly due to the non-reverting language provided to CYFD by the Legislature for FY15 for Early Childhood and Protective Services Programs. Refer to Note 17.
- *Unrestricted Net Position* deficit increased by \$416,674 or 46.81 percent due to the reclassification of recommitted fund balances, in accordance with GASB 54, on the Statement of Net Position.
- *Total Net Position* increased by \$2,040,357 or 13.70 percent. See discussion under *Current Assets* and *Current Liabilities* above.
- *Program Revenues* increased by \$32,531,099 or 20.40 percent. Net increase attributed to Federal Funds of \$33,430,331 and Other State Funds decrease of \$899,232.
- *Program Expenses* increased by \$38,520,936 or 10.04 percent due mainly to the increase in the General Fund Appropriation for fiscal year 2015.
- *Deficiency of Program Revenues over Program Expenses* increased by \$5,989,837 or 2.67 percent. See discussion under *Program Revenues* and *Program Expenses* above.

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)**

**For the Year Ended June 30, 2015**

- *General Fund Appropriations* increased by \$4,992,469 or 2.18 percent over the prior year's appropriations.
- *Other Revenues* decreased by \$235,947 or 14.61 percent.
- *Other Sources (Uses) net* increased by \$4,922 or .27 percent.
- A *Reversion to State General Fund* decreased by \$723,041 or 41.52 percent from the prior year reversion. CYFD, increased expenditures over FY14. Some of the increase in expenditures is attributed to a salary increase for public safety employees through an appropriation made to the Governor to use at her discretion. CYFD increased salaries for Juvenile Justice Services and Protective Services workers by a percentage up to 5% to bring these workers to the appropriate placement of their pay classification and range to address recruitment and retention efforts of the workers who have direct contact with families and children. The decrease in reversion is also associated with the non-reverting language provided to CYFD by the Legislature for FY15 for Early Childhood and Protective Services Programs. Refer to Note 17.
- *Change in Net Position* decreased by \$515,196 or 20.16 percent due to the excess of expenditures over revenue for FY15.

**FINANCIAL ANALYSIS AT THE FUND LEVEL**

The following analysis was derived from the fund financial statements and compares the current year fund balances to the prior year:

	Fund Balance			
	Current Year June 30, 2015	Prior Year June 30, 2014	Increase or (Decrease)	Percentage Change
<b>General Fund</b>				
Nonspendable	\$ 276,211	\$ 312,552	\$ (36,341)	-11.63%
Restricted	4,954,514	3,791,068	1,163,446	30.69%
Committed	3,539,082	5,000,476	(1,461,394)	-29%
Total General Fund	8,769,807	9,104,096	(334,289)	-3.67%
<b>Non-Major Funds</b>				
Nonspendable	7,155,580	7,016,164	139,416	1.99%
Restricted	10,141,573	7,141,607	2,999,966	42.01%
Total Non Major Funds	17,297,153	14,157,771	3,139,382	22.17%
Total	\$ 26,066,960	\$ 23,261,867	\$ 2,805,093	12.06%

Ending fund balance for the current fiscal year, in the General Fund accounted for 34.0 percent of total fund balance for the Department. Of the General Fund, approximately 40.0 percent was committed, 57.0 percent was restricted, and 3.0 percent was nonspendable.

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)**

**For the Year Ended June 30, 2015**

**FY15 GENERAL BUDGETARY HIGHLIGHTS** *(amounts expressed in millions)*

The Children, Youth and Families Department (CYFD) FY15 budget in General Fund was appropriated at \$232,393.6, a \$12,427.3 or a 5.65 percent increase over FY14. The general fund increase includes \$100.0 to fund a tracking system for the Academy of Professional Development and Training (APDT), \$629.9 to provide recurring funding to assist with the operations of the Lincoln Pines Youth Center, \$214.6 to replace loss of federal funding through sequestration, \$1,400.0 to assist with the growing costs in care and support in Protective Services, \$1,000.0 to provide Foster Parents with a rate increase of \$50 to \$75, \$500.0 to fund a Domestic Violence Capacity Building Project, \$80.0 for a Domestic Violence Shelter in Western San Juan County, \$100.0 for a child advocacy center in Curry County, \$100.0 for supportive housing and behavioral health services for pregnant and parenting teens in Lea County and \$10.0 to provide equine-assisted services for children of San Miguel armed services veterans.

The FY15 Operating Budget also includes funding for increased rates for risk assessments billed by the General Services Department, \$659.7 for 10 new Child Protective Services Investigator positions, \$1,606.0 for compensation increases for both Juvenile Justice Services and Protective Services to support recruitment and retention efforts for hard to fill positions. The Early Childhood Services received additional general fund of \$2,000.0 to pilot an extended-day Pre-K Program, \$300.0 for training, technical assistance and professional development of Child Care Assistance Programs, \$300.0 for statewide teacher education retention and compensation, \$450.0 for high quality early childhood development center planning grants, \$2,500.0 for Home Visiting, \$25.0 for an evidence-based home visiting program in northern NM and \$50.0 to improve and expand early childhood education programs in Anton Chico in Guadalupe County. Early Childhood Services also received in operating transfers, Temporary Assistance for Needy Families (TANF) appropriations of \$8,100.0 for Home Visiting and Pre-K Programs and \$200.0 in Protective Services to pilot a supportive housing project to provide permanent housing and supportive services for families that lack adequate housing or struggle with substance abuse or mental issues or have child who have been identified as victims of child abuse or neglect. A special appropriation of \$50.0 was also appropriated to assist with the temporary care and housing of animals of victims of domestic violence.

The FY15 Operating Budget included in the compensation section of the General Appropriations Act, increases for employees statewide of 3.0 percent with additional increases for public safety employees including the direct line workers in Juvenile Justice Services and Protective Services allocated to CYFD at the discretion of the Governor.

The Legislature appropriated to the CYFD Protective Services Program a \$500.0 supplemental appropriation to cover the anticipated shortfall in salaries and benefits and \$1,000.0 for a care and support special appropriation to assist with the increasing costs for care and support. The Legislature also provided CYFD with non-reverting language for FY15 for both the Early Childhood and Protective Services Programs, providing the program areas with an opportunity to utilize any unspent general fund in FY16 through a budget adjustment request.

In FY15, CYFD received reauthorization of the previous year's Capital Outlay appropriations to continue infrastructure improvements, to include renovations for the Loma Cottage and resurfacing of the main parking at the Youth Diagnostic and Development Center (YDDC) and for construction, furniture and equipment at the John Paul Taylor Center (JPTC) in Las Cruces.

CYFD received an IT appropriation of \$150.0 to implement the Asset Management Module in the Statewide Human Resources, Accounting Enterprise (SHARE) System during the FY 14 Legislature and is currently in the planning phase of this project. CYFD has had a repeat finding since 2008 and has been tracking capital assets using excel spreadsheets. Implementing the use of this module will assist CYFD with a more effective method of tracking assets and calculating depreciation.



**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)**

**For the Year Ended June 30, 2015**

CYFD continues to work toward full implementation of the accounts receivable module in SHARE. During FY 15, staff performed a reconciliation of SHARE Accounts Receivable to the Family Automated Client Tracking System to verify the consistency of the data. Since the implementation of the system, CYFD has not mailed statements to providers for overpayment incurred as of June 30, 2015. (Final notices and statements were mailed to providers on October 6, 2015 for the month ending September 30<sup>th</sup>).

In FY15, the CYFD Early Childhood Services Program continued implementing initiatives associated with the Federal Race to the Top Early Learning Challenge Grant. The federal funding was received in FY13 and is a joint venture with the Public Education Department and the Department of Health. The funding for the Race to the Top Early Challenge Grant is being spent on the development and implementation of Statewide Early Learning and Development Standards, Program Standards, a Tiered Quality Rating and Improvement System, a Workforce Knowledge and Competence Framework and Progression of Credentials for Early Childhood Educators. The Grant of Award is for \$25,000.0 and CYFD's share of the funding is \$20,000.0 to be spent by December 31, 2016.

**PERFORMANCE MEASURES**

The Department collects data to measure success in meeting performance measure targets to address the requirements for the Accountability in Government Act (AGA), Sections 6-3A-1 through 6-3A-8 NMSA 1978. Performance measures outlined in the General Appropriation Act, Laws of 2014, First Session, Chapter 63, Section 4 for the year ended June 30, 2015 were:

TYPE	MEASURE	TARGET	RESULT
<b>Early Childhood Services:</b>			
Outcome	Percent of licensed childcare providers participating in stars/aim high levels three through five or with national accreditation	30.0%	33.3%
Outcome	Percent of children in state funded prekindergarten showing measurable progress on the preschool readiness kindergarten tool	92.0%	94.2%
Outcome	Percent of children receiving state subsidy in starts/aim high programs level three through five or with national accreditation	35.0%	48.1%
<b>Protective Services:</b>			
Outcome	Percent of children who are not the subject of substantiated maltreatment while in foster care	99.7%	99.8%
Outcome	Percent of children who are not the subject of substantiated maltreatment within six months of a prior determination of substantiated maltreatment	93.0%	89.1%
Outcome	Percent of adult victims or survivors receiving domestic violence services who have an individualized safety plan	93.0%	95%
<b>Juvenile Justice Services:</b>			
Outcome	Percent of clients who successfully complete formal probation	70.0%	83.2%
Outcome	Percent of incidents in juvenile justice services facilities requiring use of force resulting in injury	1.5%	1.6%

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)**

**For the Year Ended June 30, 2015**

Outcome	Percent of clients recommitted to a children, youth and families department facility within two years of discharge from facilities	9.0%	7.6%
Outcome	Percent of juvenile justice division facility clients age eighteen and older who enter adult corrections within two years after discharge from a juvenile justice facility	6.0%	11.9%
Outcome	Number of physical assaults in juvenile justice facilities	<260	286
<b>Program Support:</b>			
Outcome	Turnover rate for youth care specialists	15.0%	0.0%
Efficiency	Average number of days to fill positions from the advertisement close date to candidate start date	65	61
<b>Behavioral Health Services:</b>			
Outcome	Percent of youth hospitalized for treatment of selected mental health disorders who receive a follow-up with a mental health practitioner within seven calendar days after discharge	50.0%	31.3%
Outcome	Percent of youth who show improvement in the substance disorder domain of the global assessment of individual need short screen	50.0%	0.0%

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

Total capital assets, net of depreciation, for the Department makes up 1.3 percent of the Department's total assets. The Department has no infrastructure assets.

Total compensated absences at June 30, 2015 are \$6,476,612. The estimated amount to be paid from current General Fund appropriations within one year is \$4,533,628 or 70.0 percent, with \$1,942,984 or 30.0 percent due after one year. There was no significant activity to report for compensated absences during the year ended June 30, 2015.

**FY16 OPERATING BUDGET**

CYFD depends primarily on appropriations from the New Mexico State General Fund. The State Legislature in the General Appropriations Act, Laws of 2015, Chapter 101, Section 4, appropriated \$240,357.5 in general fund to CYFD for the FY16 Operating Budget.

The general fund increase includes \$500.0 for seven (7) FTE relating to the Law Enforcement Virtual Desktop that is directly related to the Governor's Executive Order 2014-001 to allow them to make informed decisions when faced with responding to a child abuse and neglect situation; \$136.1 for two (2) FTE for the Families in Need of Court Ordered Services (FINCOS) initiatives; \$1,000.0 to reduce the vacancy factor in the Juvenile Services Justice Program; \$800.0 to replace Permanent Land Fund Balance; \$75.0 for the Juvenile Justice Continuum Grant Fund; \$2,200.0 to support increased costs in care and support for Protective Services; \$1,200.0 to establish additional Child Advocacy Pilot Sites and a Multi-Disciplinary Network where Child Protective Services, law enforcement

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)**

**For the Year Ended June 30, 2015**

and community providers would be co-located to coordinate the support of all entities investigating child abuse and neglect to ensure more comprehensive services are provided to the child victims and families; \$1,000.0 to establish additional Family Support Services Sites for Protective Services to ensure families are getting the services they need and to provide more efficient follow-up to ensure families are participating in recommended services; \$2,165.1 for forty-five (45) new FTE in Protective Services, to assist with the growing number of cases, to reduce overtime and to create a more manageable workload for staff; \$50.0 for Supporting Housing, \$50.0 for animal shelter services; \$100.0 for Early Literacy Programs; \$50.0 for evidence Based Home Visiting services in Southern New Mexico and \$58.0 and \$790.8 to increase rates for Safe House Interview and Shelter Care Services, respectively.

The Legislature appropriated additional Temporary Assistance for Needy Families (TANF) carryover to expand services for Pre-K in the amount of \$5,000.0, \$4,500.00 for Home Visiting and \$700.0 for Supportive Housing.

In FY16, CYFD received in Capital Outlay funding during the 2015 Legislature: \$500.0 for an Emergency Access Driveway at the YDDC and the Camino Nuevo Youth Center (CNYC); \$1,400.0 for the YDDC visitor center and warehouse and \$1,000.0 for the CNYC recreation building and roof repairs and HVAC replacement at the JPTC in Las Cruces.

CYFD received an IT appropriation of \$2,708.5 to develop and implement the Juvenile Justice Services component of the Enterprise Provider Management Information Constituents Services System (EPICS).

**FY17 OPERATING BUDGET REQUEST**

The FY17 Operating Budget Request includes a base general fund request of \$244,315.8, an increase of \$3,958.3 or 1.65 percent over the FY16 operating budget. The general fund increase supports a Department vacancy rate of 11.47 percent, budgeting vacant positions at mid-point of the salary ranges.

The general fund request includes increases of \$2,184.0 to alleviate the growing trend for care and support payments for children in state custody in Protective Services, \$742.0 to replace Permanent Land Fund Balance in Juvenile Services and \$1,032.3 to reduce the vacancy factor in Protective Services to 11%.

The CYFD FY17 Operating Budget Request includes \$7,991.4 in expansion items for the following: \$2,991.4 for 50 FTE to assist with retention of critical Protective Services staff to make caseloads more manageable, which in turn will ensure our children reach safety, permanency and well-being; \$1,000.0 to expand Pre-K for three (3) year olds; \$1,000.0 to expand Family Support Services initiatives; \$1,000.0 to comply with the federal childcare recertification regulations; and the conversion of eleven (11) Early Childhood Services Unauthorized Term Positions to Perm with no fiscal impact.

CYFD has also included in the expansion request \$1,000.0 for Home Visiting and Early Childhood Outreach and \$1,000.0 for Foster Parent, Worker Recruitment and #Safe. This two requests support the newest Department initiative "Pull Together". The "Pull Together" initiative is a community engagement and outreach initiative that informs and educates New Mexico families about the availability of early education, early intervention and prevention services, such as Childcare, Home Visiting and Pre-K, thereby making these services more accessible to the families that need them. "Pull Together" also focuses on the recruitment and retention of high quality workers, by using a multi-strategy outreach to recruit foster parents and staff and provides better support for individuals willing to serve in these important and difficult positions. Additionally, by utilizing and enhancing #Safe, "Pull Together" enhances education regarding the responsibilities that all New Mexicans share as mandated reporters of child abuse and neglect.

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited)**

**For the Year Ended June 30, 2015**

Through the General Services Department – Facilities Management Division, CYFD submitted the following capital outlay requests: \$1,169.4 for furniture, fixtures and equipment needed for the proposed Child Wellness Center; \$750.0 for the athletic facility renovation at the YDDC and the CNYC; \$190.0 for new client room doors and domestic hot water boilers at Manzano and Sandia Cottages; \$520.0 for a new fire alarm system and locks at the CNYC to meet current safety and security requirements; \$415.0 to replace the HVAC units at the JPTC in Las Cruces; \$673.4 for construction improvements at the Juvenile Services Reintegration Centers; and \$85.0 to improvements to the Henry Perea Building (Valencia County Child Advocacy Center).

The Department submitted its annual information technology request for FY17 that includes \$10,117.5 to continue Phase 4 of the Enterprise Provider Information Constituent Services (EPICS) web-based system for Juvenile Justice Services, User-Interface Framework Conversion and upgrades to the EPICS Administration Tool.

**FINANCIAL CONTACT**

The Department's financial statement is designed to present users with the general overview of the Department's finances and to demonstrate the Department's accountability. If you have any questions about the report or need additional information, please contact:

Children, Youth and Families Department  
Administrative Services Division Director  
PO Drawer 5160  
Santa Fe, New Mexico 87502-5160

STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

Exhibit 1

Statement of Net Position

June 30, 2015

ASSETS	<u>Governmental Activities</u>
Current assets:	
Cash	\$ 60,000
State Fund Investment Pool	27,109,484
Accounts receivable, net	28,468,741
Due from agency fund	26,654
Due from other agencies	8,052,433
Supplies inventory	276,211
Other assets	120
Investments at State Investment Council	5,528,190
Total current assets:	<u>69,521,833</u>
Noncurrent assets:	
Capital assets, net	<u>947,546</u>
<b>Total assets</b>	<u><b>70,469,379</b></u>
 <b>LIABILITIES</b>  	
Deficit State Fund Investment Pool	\$ 2,052,799
Accounts payable	33,170,945
Accrued payroll	1,692,587
Other payroll related liabilities and withholdings	1,735,523
Other accrued liabilities	229,195
Due to beneficiaries	1,087,680
Due to other agencies	543,322
Due to state general fund	1,635,198
Due to federal government	696,357
Compensated absences	4,533,628
Unearned revenue	611,267
Noncurrent liabilities:	
Lawsuit litigation accrual	3,600,000
Compensated absences due in more than one year	1,942,984
<b>Total liabilities</b>	<u><b>53,531,485</b></u>
 <b>NET POSITION</b>  	
Net investment in capital assets	947,546
Restricted for:	
Children's trust fund - permanent	7,155,580
Children's trust fund - special revenue	1,274,429
Day care fund	2,717,370
Subsequent years expenditures by applicable legislation and law	6,149,774
Unrestricted (deficit)	<u>(1,306,805)</u>
<b>Total net position</b>	<u><b>\$ 16,937,894</b></u>

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

STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

Exhibit 2

Statement of Activities

Year Ended June 30, 2015

	Expense	Program Revenues Operating Grants and Contributions	Governmental Activities Net Program (Expense)
<b>Governmental Activities:</b>			
Health and Welfare	\$ (419,069,356)	\$ 191,319,126	\$ (227,750,230)
Public Safety	(2,746,744)	670,684	(2,076,060)
Depreciation expense	(265,828)	-	(265,828)
<b>Total governmental activities</b>	<b>\$ (422,081,928)</b>	<b>\$ 191,989,810</b>	<b>(230,092,118)</b>
<b>General Revenues:</b>			
General fund and special appropriations			233,567,469
Interest			1,378,476
<b>Total general revenues</b>			<b>234,945,945</b>
<b>Transfers</b>			
Transfers from other State Agencies			1,228,631
Transfers to other State Agencies			(2,361,935)
Transfers, Capital Assets, net			(661,588)
General fund reversion 2015 fiscal year			(1,018,578)
<b>Net transfers</b>			<b>(2,813,470)</b>
<b>Change in net position</b>			2,040,357
Net position, beginning of year			14,897,537
<b>Net position, end of year</b>			<b>\$ 16,937,894</b>

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

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

Exhibit 3

**Balance Sheet  
Governmental Funds**

**June 30, 2015**

	General Fund	Non-major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
State Fund Investment Pool	\$ 12,786,167	\$ 14,323,317	\$ 27,109,484
Cash	60,000	-	60,000
Accounts receivable, net	28,445,388	23,353	28,468,741
Due from other funds	1,098,642	46,185	1,144,827
Due from other agencies	7,331,764	720,669	8,052,433
Supplies inventory	276,211	-	276,211
Other assets	-	120	120
Investments at State Investment Council	-	5,528,190	5,528,190
<b>Total assets</b>	<b>\$ 49,998,172</b>	<b>\$ 20,641,834</b>	<b>\$ 70,640,006</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Deficit State Fund Investment Pool	\$ 2,052,799	-	\$ 2,052,799
Accounts payable	30,742,831	2,428,114	33,170,945
Accrued payroll	1,691,951	636	1,692,587
Other payroll related liabilities and withholdings	1,734,529	994	1,735,523
Other accrued liabilities	229,195	-	229,195
Due to other funds	280,260	837,913	1,118,173
Due to beneficiaries	1,010,965	76,715	1,087,680
Due to other agencies	543,322	-	543,322
Due to state general fund	1,635,198	-	1,635,198
Due to federal government	696,048	309	696,357
Unearned revenue	611,267	-	611,267
<b>Total liabilities</b>	<b>41,228,365</b>	<b>3,344,681</b>	<b>44,573,046</b>
<b>FUND BALANCES</b>			
Non-spendable fund balance			
Inventory	276,211	-	276,211
Children's trust fund - permanent	-	7,155,580	7,155,580
Restricted			
Children's trust fund - special revenue	-	1,274,429	1,274,429
Day care fund	-	2,717,370	2,717,370
By law or grant	4,954,514	-	4,954,514
Subsequent year's expenditures by appropriation	-	6,149,774	6,149,774
Committed	3,539,082	-	3,539,082
Assigned	-	-	-
Unassigned	-	-	-
<b>Total fund balances</b>	<b>8,769,807</b>	<b>17,297,153</b>	<b>26,066,960</b>
<b>Total liabilities and fund balances</b>	<b>\$ 49,998,172</b>	<b>\$ 20,641,834</b>	<b>\$ 70,640,006</b>

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

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

Exhibit 4

**Reconciliation of the Governmental Fund Balance Sheet to the  
Statement of Net Position**

**June 30, 2015**

Fund balances - total governmental funds		\$ 26,066,960
Amounts reported for governmental activities in the statement of net position are different because:		
Governmental capital assets	\$ 5,200,663	
Less accumulated depreciation	<u>(4,253,117)</u>	947,546
Lawsuit litigation accrual		(3,600,000)
Compensated absences recorded in the statement of net position not recorded in the governmental funds		<u>(6,476,612)</u>
Net position of governmental activities		<u>\$ 16,937,894</u>

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



**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

Exhibit 5

**Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds**

**Year Ended June 30, 2015**

	General Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Federal funds	\$ 181,714,424	\$ 6,100,000	\$ 187,814,424
Other state funds	2,703,077	1,472,309	4,175,386
Interest and gain on investments	1,320,139	58,337	1,378,476
Total revenues	185,737,640	7,630,646	193,368,286
<b>EXPENDITURES</b>			
Current:			
Health and Welfare	397,319,607	21,667,364	418,986,971
Public Safety	2,746,744	-	2,746,744
Capital outlay	245,065	-	245,065
Total expenditures	400,311,416	21,667,364	421,978,780
Excess (deficiency) of revenues over expenditures	(214,573,776)	(14,036,718)	(228,610,494)
<b>OTHER FINANCING SOURCES AND (USES)</b>			
Transfers State General Fund Appropriations	214,568,500	17,176,100	231,744,600
Transfers Special Appropriations	1,822,869	-	1,822,869
Transfers from other State Agencies	1,228,631	-	1,228,631
Transfers to other State Agencies	(2,361,935)	-	(2,361,935)
General fund reversions	(1,018,578)	-	(1,018,578)
Total other financing sources and (uses)	214,239,487	17,176,100	231,415,587
<b>Net change in fund balances</b>	(334,289)	3,139,382	2,805,093
<b>Fund balances, beginning of year</b>	9,104,096	14,157,771	23,261,867
<b>Fund balances, ending</b>	\$ 8,769,807	\$ 17,297,153	\$ 26,066,960

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

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

Exhibit 6

**Reconciliation of the Statement Revenues, Expenditures, and  
Changes in Fund Balances - Governmental Funds to the Statement of Activities**

**Year Ended June 30, 2015**

Net change in fund balances - total governmental funds \$ 2,805,093

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.

Expenditures for capital assets	\$ 245,065	
Less current year depreciation	<u>(265,828)</u>	(20,763)

In the Statement of Activities, transfers out of capital assets to other state agencies are recorded, however, because general capital assets are not capitalized in the governmental funds, there is no effect to those funds. In the current year period, these amounts were:

Transfer Out		(661,588)
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Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.

Increase in accrued compensated absences		<u>(82,385)</u>
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Change in net position of governmental activities		<u>\$ 2,040,357</u>
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The accompanying notes are an integral part of this financial statement.

STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

Exhibit 7

Statement of Revenues and Expenditures (Budgetary Basis)  
Budget and Actual - Major Budgeted Fund

Year Ended June 30, 2015

General Fund				
	Budgeted Amounts		Actual	Variance
	Original	Adjusted		(Unfavorable)
<b>Revenues</b>				
General fund appropriation	\$ 214,618,500	\$ 214,618,500	\$ 214,568,500	\$ (50,000)
Federal funds	194,413,900	203,353,079	181,714,424	(21,638,655)
Other state funds	10,715,600	10,715,600	4,023,216	(6,692,384)
Other financing sources	-	-	3,051,500	3,051,500
Total budgeted revenues	419,748,000	428,687,179	\$ 403,357,640	\$ (25,329,539)
Budgeted fund balance	1,250,800	1,720,800		
Total revenues and budget fund balance	\$ 420,998,800	\$ 430,407,979		
<b>Expenditures</b>				
	Original	Adjusted	Actual Expenditures	Variance Favorable (Unfavorable)
Personnel services	\$ 131,583,700	\$ 134,748,426	\$ 133,544,285	\$ 1,204,141
Contractual services	76,939,087	78,947,159	68,997,481	9,949,678
Other costs	209,737,513	213,973,894	197,248,705	16,725,189
Other financing uses	2,738,500	2,738,500	2,361,935	376,565
Total budgeted expenditures	\$ 420,998,800	\$ 430,407,979	402,152,406	\$ 28,255,573
Plus entry to increase allowance for uncollectable accounts			520,945	
Less budgetary transfers to other agencies			(2,361,935)	
Total fund financial expenditures			\$ 400,311,416	
<b>Reconciliation to GAAP basis</b>				
Total actual budget revenue			\$ 403,357,640	
Less total actual GAAP expenditures			(400,311,416)	
Less General Fund reversion			(1,018,578)	
Less transfers to other agencies			(2,361,935)	
Net change in general fund balance			\$ (334,289)	

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

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

Exhibit 8

**Statement of Fiduciary Assets and Liabilities - Agency Funds**

**June 30, 2015**

	Agency Funds
<b>ASSETS</b>	
Cash	\$ 40,851
State Fund Investment Pool	669,397
Due from other agencies	<u>68</u>
Total assets	<u><u>\$ 710,316</u></u>
<b>LIABILITIES</b>	
Deposits held for others	\$ 683,662
Due to other funds	<u>26,654</u>
Total liabilities	<u><u>\$ 710,316</u></u>

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

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**Notes to Financial Statements**

**June 30, 2015**

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**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**Notes to Financial Statements (Continued)**

**June 30, 2015**

**NOTE 1. HISTORY AND FUNCTION**

The Children, Youth and Families Department (CYFD), a cabinet-level department, was created by Chapter 57, Laws of 1992, which states:

*“The purpose of the Children, Youth and Families Department Act is to establish a department of state government that shall:*

- 1. Administer all laws and exercise all functions formerly administered and exercised by the youth authority, as well as administering certain functions related to children, youth and families that were formerly administered by other departments or agencies of the state;*
- 2. Assist in the development of state policies and plans for services to children, youth and families, including policies and plans that endeavor to strengthen client self-sufficiency and that emphasize prevention without jeopardizing the necessary provision of essential treatment and early intervention services; and,*
- 3. Advocate for services for children, youth and families as an enduring priority in New Mexico.”*

When the Department was created by the 40<sup>th</sup> legislature, several data processing requirements were imposed, which affect most or all of its divisions, personnel, and services. The first requirement related to a “... statewide database, including client tracking of services for children, youth and families...” The second was a mandate to “develop and disseminate a readily accessible resource database...” Also, mandated was a juvenile forensic evaluation program which must “...follow the juvenile in each stage of treatment, utilizing a data management system established by the [Department]...” The process of interpreting and clarifying these requirements was initiated by the Cabinet Secretary and the Department.

Based on state and federal requirements, the development of integrated information systems was clearly a priority for the Department, including a system regarding the families and clients served. The development of a family-based, cross-program tracking system was a major objective, directly resulting in creation of the Family Automated Client Tracking System (FACTS) Project.

In the interest of efficiency and economy, Executive Order 95-04, dated January 13, 1995, reorganized the Department by transferring or merging functions between abolished divisions and newly created divisions.

The Children, Youth and Families Department consist of six divisions as follows:

1. The Administrative Services Division provides administrative support, for the other CYFD divisions. Such support is provided in financial management and accounting, budget preparation, tracking and estimating, property management, federal grants management contracts management, and personnel services.
2. The Juvenile Justice Services Division oversees institutionalized juveniles in six community treatment centers and reintegration centers, the Youth Diagnostic and Development Center, which is responsible for providing intervention (juvenile probation and parole) services for approximately 27,000 boys and girls referred to CYFD for alleged delinquent acts, as well as services for their families.

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**Notes to Financial Statements (Continued)**

**June 30, 2015**

**NOTE 1. HISTORY AND FUNCTION (CONTINUED)**

3. The Protective Services Division responds to community allegations that children have been abused, neglected, or exploited, and, if these allegations are substantiated, to develop with these families a plan for services designed to prevent repeated maltreatment.
4. The Early Childhood Services Division supports family development, early care and education activities through Child Care, Child Care Licensing and Family Nutrition, and whose programs are centered around the philosophy that prevention is the most desirable solution to many social problems.
5. The Information Technology Services Division supports the network infrastructure and all IT systems, including the mission-critical Family Automated Client Tracking System (FACTS) application for all CYFD staff. Support includes application development, network administration and planning, telecommunications, Help Desk, regional support, Internet/Intranet development and support, production control and business/technical feasibility analysis.
6. Community Outreach and Behavioral Health Division integrates community-based probation and aftercare services with community-based transition, behavioral health, domestic violence, and other prevention and intervention services.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting methods and procedures adopted by the Children, Youth and Families Department (Department or CYFD) conform to U.S. generally accepted accounting principles as applied to governmental entities. The more significant of the Department's accounting policies are described below:

**A. Financial Reporting Entity**

The chief executive of the Department is the Secretary, who is appointed by the Governor of New Mexico and is a member of the Governor's cabinet. The Department is a component unit of the executive branch and these financial statements include all funds, programs and activities over which the Department Secretary has oversight responsibility.

The Department Secretary is appointed by the governor; the secretary has decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters. The Department has no blended or discretely presented component units during the year ended June 30, 2015.

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**Notes to Financial Statements (Continued)**

**June 30, 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A. Financial Reporting Entity (Continued)**

The Juvenile Parole Board (Board) is administratively attached to the Department. Its financial statements are not included in this report because it is a separate reporting entity.

*Joint Venture*

The Department, through its educational institutions, participates in the following regional education cooperative:

The Central Region Educational Cooperative, PO Box 37440, Albuquerque, NM 87176, an entity legally separate from the Department, is governed by an eleven-member council (eight school districts and three state institutions, namely the Youth Diagnostic and Development Center, the Children's Psychiatric Hospital and the Sequoyah Adolescent Treatment Center), operating under a Joint Powers Agreement. The financial activity is not included in the Department's financial statements. Audited financial reports for the cooperative are available at the above address.

**B. Basic Financial Statements**

The basic financial statements include both government-wide (based on the Department as a whole) and fund financial statements. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business type. CYFD 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 eliminating the due to due from balances in the governmental funds and are reflected on the full accrual, economic resource basis, which incorporates long term assets and receivable as well as long-term debt and obligations.

The government-wide Statement of Activities reflects both the gross and net cost per functional category which are otherwise being supported by general government revenues. The Statement of Activities reduces gross expenses by related program revenues, operating and capital grants. The program revenues must be directly associated with the function. Program revenues consist of outside revenues (federal grants and other private grants).

The Department does not employ indirect cost allocation in the financial statements.

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



**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**Notes to Financial Statements (Continued)**

**June 30, 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basic Financial Statements (Continued)**

In the fund financial statements, emphasis is on the major funds of the governmental category. Non-major funds are summarized into a single column. The Department's only major fund is its general fund.

The governmental funds in the fund financial statements are presented on a modified accrual, current financial resources 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 with the budget or fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government wide statements governmental column, a reconciliation is presented on the page following each statement, which briefly explains the adjustment necessary to transform the fund based financial statements into the governmental column of the government-wide presentation.

The Department classifies the Children's Expendable Trust Fund as a Special Revenue Fund and the Children's Non-Expendable Trust Fund as a Permanent Fund.

The Department's fiduciary funds are presented as separate fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

The focus is on the Department as a whole and the fund financial statements, including the major individual funds of the governmental category, as well as the fiduciary fund by category.

**C. Basis of Presentation**

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

The nonmajor funds are combined in a column in the fund financial statements and detailed in the combining section.

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**Notes to Financial Statements (Continued)**

**June 30, 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Presentation (Continued)**

The following fund types are used by the Department:

**GOVERNMENTAL FUND TYPES**

All governmental fund types are accounted for on a spending or financial flow measurement focus. Only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of available spendable resources. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period. Due to their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

*General Fund* - 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 is made up of the following Statewide Human Resources, Accounting and Management Reporting System (SHARE) Fund numbers.

- 06700 General Operating – The operating account for the Department. This is a reverting account, with the exception of amounts received from the Permanent Fund income and land income funds (NMSA 1978 33-1-18/19 and 32-2-2).
- 06800 Senator Light Donation by Representative Light when CYFD was established by the Department. Expenditures are unrestricted; however, consistent with the donation documentation the remaining account balance is not reverted.
- 48900 FACTS – Account established to issue “M” warrants which are payments to providers in the foster care and adoption programs. This is a reverting account.
- 49100 Child Care Payments – Account established to issue “M” warrants which are payments to the child care providers who have delivered child care services to eligible families. This is a reverting account.
- 83900 Juvenile Community Corrections – Account was created by NMSA 33-9A-1-6 to 33-9A-6 to account for resources used to divert juveniles from institutions and reintegrate them with society. In accordance with NMSA 33-9A-3, balances are not reverted.
- 84000 Federal Child Care Food Account – Payments to child and adult care providers for meals served to children and adults in non-residential childcare settings. Resources include only federal, and is therefore non-reverting.
- 84100 JJDP/Children’s Justice – The account was established in accordance with the Federal Juvenile Justice and Delinquency Prevention Act and the federal Children’s Justice Act which are federal funds and is accordingly non-reverting to the State General Fund.

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**Notes to Financial Statements (Continued)**

**June 30, 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Presentation (Continued)**

GOVERNMENTAL FUND TYPES (Continued)

*Special Revenue Funds* - The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. These are non-reverting funds.

*Capital Project Fund* - The Capital Project Fund is used to account for the major capital projects or special projects of the Department. This is a reverting fund.

*Permanent Funds* - The Children's Trust Funds are used to account for assets, of which the principal may not be spent. These are non-reverting funds.

FIDUCIARY FUND TYPES

Fiduciary fund types include trust and agency funds, which are used to account for assets held by the Department in the capacity of trustee or agent.

*Agency Funds*. Agency funds are used to account for assets held as an agent for other governmental units, individuals and other funds. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**D. Basis of Accounting**

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

The Government-wide Financial Statements and the Fiduciary Financial Statements are presented using the economic resources measurement focus and the accrual basis of accounting. The Governmental Funds in the Fund Financial Statements are presented on a modified accrued basis. The Department does not receive any type of tax revenue. Under the accrual method of accounting, revenues are recognized when earned and expenditures are recognized when incurred. Grants and similar items are recognized as revenue as soon as all eligibility requirements are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measureable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Department considers revenues to be available if they are collected within 60 days after the end of the current fiscal year. Federal revenue is considered available if it collected within 120 days after the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences are recorded only when payment is due.

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**Notes to Financial Statements (Continued)**

**June 30, 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Basis of Accounting (Continued)**

Revenues from grants that are restricted for specific uses are recognized as revenues and as receivables when the related costs are incurred. Contributions and other monies held by other state and local agencies are recorded as a receivable at the time the money is made available to the specific fund. All other revenues are recognized when they are received and are not susceptible to accrual. The Department did not receive any bond proceeds for capital projects for the 2015 fiscal year.

Expenditures are recorded as liabilities when incurred. An exception to this general rule is that for fund financial statements, accumulated unpaid annual, compensatory and certain sick leave are not accrued as liabilities but recorded as an expenditure when utilized. For government wide financial statements, the accumulated, unpaid, annual, compensatory and certain sick leave are accrued for the current and non-current liability. Expenditures charged to federal programs are recorded utilizing the cost principles described by the various funding sources.

In applying the "susceptible to accrual" concept to intergovernmental revenues pursuant to GASB Statement No. 33, the provider recognizes liabilities and expenses and the recipient should recognize receivables and revenues when the applicable eligibility requirements including time requirements, are met. Resources transmitted before the eligibility requirements are met, under most circumstances, should be reported as advances by the provider and unearned revenue by the recipient.

**E. Cash and State Fund Investment Pool**

The Department considers cash and New Mexico State Treasurer's State Fund Investment Pool balances in the financial statements to be cash on hand and demand deposits. In addition because the State Treasurer's pool is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be cash equivalents.

**F. Budgets and Budgetary Accounting**

The State Legislature makes annual appropriations to the Department, which lapse at fiscal year-end. Legal compliance is monitored through the establishment of a budget (Modified Accrual Budgetary Basis) and a financial control system which permits a budget to actual expenditure comparison. Expenditures may not legally exceed appropriations for each budget at the program appropriation unit level. Budgeted appropriation unit amounts may be amended upon approval from the Budget Division of the State of New Mexico Department of Finance and Administration within the limitations as specified in the General Appropriations Act. The budget amounts shown in the financial statements are the final authorized amounts as legally revised during the year.

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**Notes to Financial Statements (Continued)**

**June 30, 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Budgets and Budgetary Accounting (Continued)**

For the year ended June 30, 2015 the State of New Mexico is on the modified accrual basis as the budgetary basis except for a statutory exception. Per the General Appropriation Act of 2012 any account payable amount not paid by the statutory deadline for the current fiscal year must be paid out of the next year's budget. As part of the modified accrual budgetary basis, encumbrances will no longer carry over to the next year. In fiscal year 2015 there are reconciling items between the budgetary basis and the GAAP financial statements for the governmental funds. See the reconciliations of budgetary basis to GAAP on the applicable budgetary schedules.

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

1. No later than September 1, the Department submits to the Legislative Finance Committee (LFC), and the Budget Division of the Department of Finance and Administration (DFA), an appropriation request for the fiscal year commencing the following July 1. The appropriation request includes proposed expenditures and the means of financing them.
2. Budget hearings are scheduled before the New Mexico House Appropriations and Senate Finance Committees. The final outcome of those hearings are incorporated into the state's General Appropriations Act.
3. The Act is signed into Law by the Governor of the State of New Mexico within the legally prescribed time limit, at which time the approved budget becomes a legally binding document.
4. Not later than May 1, the Department submits to DFA an annual operating budget by appropriation unit and object code based upon the appropriation made by the Legislature. The DFA-Budget Division reviews and approves the operating budget which becomes effective on July 1.

All subsequent budgetary adjustments must be approved by the Director of the DFA-Budget Division and LFC.

5. Formal budgetary integration is employed as a management control device during the fiscal year for the General, and Special Revenue Funds except for the Early Childhood Care and Education Fund. The two Permanent Funds for Children's Trust Funds are not budgeted as they have no expenditure activity.

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**Notes to Financial Statements (Continued)**

**June 30, 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Compensated Absences**

Accrued vacation up to 240 hours is recorded in the Statement of Net Position at 100% of the employee's hourly wage. In addition, accrued sick leave over 600 and up to 720 hours less the amount classified as current is recorded in the Statement of Net Position at 50% of the employee's hourly wage. Compensatory time is accrued at a rate of one and one-half hours for each hour of employment for which overtime compensation is required for those employees covered by the Fair Labor Standards Act (FLSA). Employees exempt from coverage by FLSA earn one hour of compensatory time for each overtime hour. The accrual for compensated absences is calculated at pay rates in effect at June 30, 2015, and includes direct and incremental salary related payments, such as the employees' share of social security taxes.

**H. Pensions**

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 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.

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**Notes to Financial Statements (Continued)**

**June 30, 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I. Inventories**

Inventories consist of supplies on hand at various institutions valued at cost on a first-in, first-out basis. Such inventory consists of generic supplies and materials held for consumption and is expended when purchased. Inventories are stated at the lower of average cost or market. Reported inventories are equally offset by non-spendable fund balance which indicates that they do not constitute "an available expendable resource" in the governmental fund financial statements.

**J. Federal Grants Receivable (Unearned Revenue)**

Various reimbursement procedures are used for federal awards received by the Department. Consequently, timing differences between expenditures and program reimbursements can exist at any time during the fiscal year. Receivable balances at fiscal year end represent an excess of modified accrual basis expenditures over cash reimbursements received to date. Conversely, unearned revenue balances represent an overdraw of cash (advances) or receipt of grant funds in excess of modified accrual basis expenditures and for the government wide financial statements. Generally, receivable or unearned revenue balances caused by differences in the timing of cash reimbursements and expenditures will be reversed or returned to the grantor in the remaining grant period.

The Department reports unearned revenue on its governmental fund and government wide balance sheets. Unearned revenues also arise when resources are received by the Department before it has legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods when both revenue recognition criteria methods are met or when the Department has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

Determining the amount of expenditures reimbursable by the federal government, in some cases, requires management to estimate allowable costs to be charged to the federal government. As a result of this and other issues, management provides an allowance for potential contractual allowances for federal revenue. Any changes in these estimates are recorded in the period that the estimate is changed.

Certain federal program funds are passed through the Department to subgrantee organizations. These pass-through funds are included in the Schedule of Expenditures of Federal Awards as part of total expenditures for those grants.

**K. Fund Balance**

*Fund Balance.* In the governmental fund financial statements, fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable represents reserves for imprest petty cash and change funds, supplies inventory, and prepaid postage. 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

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**Notes to Financial Statements (Continued)**

**June 30, 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**K. Fund Balance (Continued)**

the Legislature's and Executive Branch's intent to be used for specific purposes or in some cases by legislation. See Note 16 for additional information about fund balances.

**L. Net Position**

*Net Position.* Net position represents the difference between all other elements in a statement of net position and should be displayed in the applicable components of net investment in capital assets, restricted and unrestricted.

*Net Investment in Capital Assets.* Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. The Department does not have any debt related to capital assets.

*Restricted.* Restricted consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. The Department restricts fund balance for multi-year appropriations, loans to counties and other funds restricted to specific purposes pursuant to legislation.

*Unrestricted.* Unrestricted consists of the net amount of assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

The Department's policy is to use restricted resources first when an expense is incurred when both restricted and unrestricted are available. For the FACTS Child Care Payments Fund the Department allocates unrestricted resources to ensure it meets the matching requirement then restricted resources. The Department may also allocate expenses to restricted or unrestricted resources based on the budgeted source of funds.

**M. Use of Estimates**

The preparation of financial statements in conformity with U.S. 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 expenses during the reporting period. Actual results could differ from those estimates.



**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**Notes to Financial Statements (Continued)**

**June 30, 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**N. Capital Assets**

Capital assets are recorded at historical cost and depreciated over their estimated useful lives (with no salvage value) using the composite (group) method. Donated capital assets are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays exceeding \$5,000 that significantly extend the useful life of an asset are capitalized per Section 12-6-10 NMSA 1978. Other costs incurred for repairs and maintenance are expensed as incurred.

	<u>Years</u>
Buildings	25
Land & Lease Improvements	20
Equipment	10
Furniture/Fixtures	10
Data Processing Equipment (including Software)	6
Vehicles	5

The Department owns buildings on land which is owned by GSD-Property Control and the State Land Office.

The Department utilizes facilities and buildings that are 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. The Department has no infrastructure assets, such as roads, bridges, etc.

**O. Program Revenues**

The Department classifies federal revenues and other state funds as program revenues in the Statement of Activities.

**NOTE 3. CASH, STATE FUND INVESTMENT POOL, AND INVESTMENTS**

Cash balances at financial institutions and on hand at June 30, 2015 consist of the following:

Bank account - General Fund	\$ 60,000
Bank accounts - Agency Funds	40,851
Cash on hand	<u>-</u>
Total cash balance	<u><u>\$ 100,851</u></u>

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**Notes to Financial Statements (Continued)**

**June 30, 2015**

**NOTE 3. CASH, STATE FUND INVESTMENT POOL AND INVESTMENTS (CONTINUED)**

The balances in the New Mexico State Treasurer's State Investment Pool consist of:

General Fund balance	\$	10,733,368
Non major Government Funds balances		14,323,317
Agency Funds		<u>669,397</u>
 Net balance	 \$	 <u><u>25,726,082</u></u>

The State Treasurer invests excess cash balances on behalf of certain earmarked funds of state agencies identified by state statute and local governments. Interest earnings are distributed based on average outstanding cash balances for local governments and the state agencies where interest is allowed to be earned. All other interest earnings are transferred to the State General Fund.

The State Treasurer deposits public monies with New Mexico financial institutions in denominations which generally are in excess of the \$250,000 in insurance coverage provided by federal agencies. Accordingly, the State Treasurer requires that depository financial institutions provide additional collateral for such investments. The collateral generally is in the form of marketable debt securities and is required in amounts ranging from 50% to 102% of the par value of the investment dependent upon the institution's operating results and capital. Collateral for the fiscal agent account is required in amounts equal to 50% of the average investment balance.

The Department follows GASB 40, *Deposit and Investment Risk Disclosures*. GASB 40 requires certain disclosures when balances with financial institutions exceed depository insurance. The Department does not have credit quality, Deposit Custodial Credit, Security Custodial Credit, Concentration of Credit, or Foreign Currency Risks. Its only investments are invested by the State Investment Council. The Department's balances with financial institutions did not exceed depository insurance for the year ended June 30, 2015.

All funds on deposit with banking institutions were fully covered by Federal Deposit Insurance Corporation (FDIC) Insurance at June 30, 2015, as the bank balances indicate below.

	<u>Wells Fargo Bank</u>	<u>Bank of America</u>	<u>Washington Federal</u>
Total amount of deposits per bank	\$ 56,932	\$ 37,225	\$ 5,681
Less: FDIC Coverage	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>
 Total uninsured public funds	 <u><u>None</u></u>	 <u><u>None</u></u>	 <u><u>None</u></u>

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**Notes to Financial Statements (Continued)**

**June 30, 2015**

**NOTE 3. CASH, STATE FUND INVESTMENT POOL AND INVESTMENTS (CONTINUED)**

CYFD investments held by the State Investment Council at June 30, 2015 were as follows:

	<u>Permanent Children Trust</u>	<u>Permanent CTF-Next Gen</u>
Large Cap Index	\$ 698,468	\$ 270,935
Non US Developed Markets Pool	156,475	56,170
Non US Emerging Markets Pool	36,555	11,331
US Core Bonds Pool	<u>3,111,423</u>	<u>1,186,833</u>
 Total	 <u>\$ 4,002,921</u>	 <u>\$ 1,525,269</u>

The allocations of investments in the various investments are per CYFD's investment policy.

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair market value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair market value to change in market interest rates. CYFD has exposure to interest rate risk by its investment in the Core Bond with the State Investment Council. Exposure to interest rate risk in the State Funds Investment Pool is limited due to its investments in short-term maturing securities.

The New Mexico State Treasurer and State Investment Council pools are not rated.

**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.

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**Notes to Financial Statements (Continued)**

**June 30, 2015**

**NOTE 3. CASH, STATE FUND INVESTMENT POOL AND INVESTMENTS (CONTINUED)**

**State General Fund Investment Pool (Continued)**

The Department has established daily and monthly procedures that mitigate the risk of misstatement of the Department's balances within the Pool. In addition, as required by Section 6-5-2.1 (J) NMSA 1978, DFA/FCD is to complete, on a monthly basis, reconciliation with the balances and accounts kept by the state treasurer and adopt and promulgate rules regarding reconciliation for state agencies.

**Interest in the General Fund Investment Pool**

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

At June 30, 2015, the Department had the following invested in the General Fund Investment Pool: \$25,726,082, which includes the overdraft balance of \$2,052,799 in the FACTS Child Care Payments fund, 49100.

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.

For additional GASB 40 disclosure information related to the above investment pools, the reader should see the separate audit report for the New Mexico State Treasurer's Office and the State Investment Council for the fiscal year ended June 30, 2015.

**NOTE 4. ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2015 are as follows:

	General Fund
Federal Grants receivable *	\$ 27,320,763
Accounts receivable - overpayment of benefits	5,628,653
Other receivables	3,473,199
Less: Contractual and collectability allowances	(7,953,874)
Total accounts receivable	\$ 28,468,741

\* Balance represents amounts owed to the Department directly from Federal granting agency.

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**Notes to Financial Statements (Continued)**

**June 30, 2015**

**NOTE 4. ACCOUNTS RECEIVABLE (CONTINUED)**

An allowance for doubtful receivables has been recorded based on management's estimate of uncollectibility and contractual allowances.

An analysis for the receivable allowances is as follows:

Balance, beginning of year		\$	7,410,769
Provision for doubtful accounts			543,105
Balance, end of year		\$	7,953,874

**NOTE 5. CAPITAL ASSETS**

The Department does not have any debt related to capital assets as of June 30, 2015. The current year additions were paid from the General Fund.

	Balance June 30, 2014	Additions	Deletions	*Agency Transfers	Balance June 30, 2015
Governmental activities:					
Depreciable Assets:					
Buildings and structures	\$ 1,590,498	\$ -	\$ -	\$ (661,588)	\$ 928,910
Data processing equipment	2,442,836	133,595	(40,900)	-	2,535,531
Equipment and machinery	663,942	16,864	(16,863)	-	663,943
Furniture and fixtures	690,112	94,606	-	-	784,718
Vehicles	20,384	-	-	-	20,384
Leasehold Land Improvements	267,177	-	-	-	267,177
Total Depreciable Assets	5,674,949	245,065	(57,763)	(661,588)	5,200,663
Less accumulated depreciation:					
Buildings and structures	467,258	63,620	-	-	530,878
Data processing equipment	2,406,098	47,871	(40,900)	-	2,413,069
Equipment and machinery	538,119	67,237	(16,863)	-	588,493
Furniture and fixtures	606,514	73,741	-	-	680,255
Vehicles	20,384	-	-	-	20,384
Leasehold Land Improvements	6,679	13,359	-	-	20,038
Total accumulated depreciation	4,045,052	265,828	(57,763)	-	4,253,117
Capital assets, net	\$ 1,629,897	\$ (20,763)	\$ -	\$ (661,588)	\$ 947,546

Depreciation expense was \$265,828 for the year ended June 30, 2015. Since capital assets are not specifically identified by function, the depreciation expense is unallocated in the Statement of Activities.

\* The Department transferred a net book value of \$661,588, related to the Lincoln Pines facility, to the New Mexico General Services Department.

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**Notes to Financial Statements (Continued)**

**June 30, 2015**

**NOTE 6. RETIREMENT PLANS (STATE PERA AND ERB)**

**ERB & PERA - Regular Plans**

**GASB 68 - Financial Reporting and Disclosure for Multiple-Employer Cost Sharing Pensions Plans by Employers**

Compliant with the requirements of Government Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*, the State of New Mexico has implemented the standard 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 two cost-sharing multiple employer defined benefit pension plan administered by the Public Employees Retirement Association (PERA) and Educational Retirement Board (ERB). Disclosure requirements for governmental funds apply to the primary government as a whole, and as such, this information will be presented in the Component Appropriation Funds Annual Financial Report (General Fund) and 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.

**Public Employees Retirement Association's Pension Plan**

**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, New Mexico 87504-2123. The report is also available on PERA's website at <http://www.pera.state.nm.us>.

**Funding Policy.** 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 District Attorney's contributions to PERA for the years ended June 30, 2015, 2014 and 2013 were \$15,276,614, \$14,141,045, and \$12,238,084, respectively, equal to the amount of the required contributions for each fiscal year.

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**Notes to Financial Statements (Continued)**

**June 30, 2015**

**NOTE 6. RETIREMENT PLANS (STATE PERA AND ERB) (CONTINUED)**

**Educational Retirement Board's Pension Plan**

*Plan Description.* Some of the Department'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 and 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, New Mexico 87502. The report is also available on ERB's website at [www.nmerb.org](http://www.nmerb.org).

*Funding Policy.*

Member Contributions

Plan members whose annual salary is \$20,000 or less are required by statute to contribute 7.9% of their gross salary. Plan members whose annual salary is over \$20,000 are required to make the following contributions to the Plan: 10.10% of their gross salary in fiscal year 2014; and 10.70% of their gross salary in fiscal year 2015 and thereafter.

Employer Contributions

In fiscal year 2015, the Department was required to contribute 13.90% and employees earning more than \$20,000 will contribute 10.70% of the gross annual salary. Employees earning \$20,000 or less will continue to contribute 7.90%.

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 \$499,916, \$296,576 and \$549,420, respectively, which equals the amount of the required contributions for each fiscal year.

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

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

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**Notes to Financial Statements (Continued)**

**June 30, 2015**

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

*Plan Description (Continued).*

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; or 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. The report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer coverage plan 1; municipal police member coverage plans 3, 4, and 5; municipal fire member coverage plan 3, 4, and 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act (10-12B-1 NMSA 1978), during the fiscal year ended June 30, 2015, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary.



**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**Notes to Financial Statements (Continued)**

**June 30, 2015**

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

*Funding Policy. (Continued)*

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, 2014, the Legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The Department's contributions to the RHCA for the years ended June 30, 2015, 2014 and 2013 were \$1,697,606, \$2,407,514, and \$3,044,214, respectively, which equal the required contributions for each year.

**NOTE 8. BUDGETARY BASIS**

For the year ended June 30, 2015, the State of New Mexico has adopted the modified accrual basis as the budgetary basis. As part of the modified accrual budgetary basis, encumbrances are no longer budgetary basis expenditures unless encumbrances relate to a multi-year appropriation. The Department had no encumbrances that related to their multi-year appropriations as of June 30, 2015.

**NOTE 9. COMPENSATED ABSENCES**

The Department has issued no debt during the year. The changes in compensated absences liabilities are accounted for in the Statement of Net Position are as follows:

	<u>Balance</u> <u>June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
Compensated absences:				
Annual leave	\$ 4,791,514	\$ 4,323,034	\$ (4,185,501)	\$ 4,929,047
Compensatory leave	1,450,827	1,695,763	(1,765,627)	1,380,963
Sick leave	151,886	3,482,706	(3,467,990)	166,602
Total compensated absences	6,394,227	<u>\$ 9,501,503</u>	<u>\$ (9,419,118)</u>	6,476,612
Less current portion	<u>4,475,959</u>			<u>4,533,628</u>
Net long-term compensated absences	<u>\$ 1,918,268</u>			<u>\$ 1,942,984</u>

The General Fund has been used to pay compensated absences.

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**Notes to Financial Statements (Continued)**

**June 30, 2015**

**NOTE 10. LEASE OBLIGATIONS**

The Department is obligated under certain leases for facilities and equipment, which are accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations, and therefore the results of the lease agreements are not reflected in the Department's financial statements. Future minimum annual payments under operating Lease agreements for facilities and equipment are as follows:

<u>Years Ending June 30:</u>	<u>Facilities</u>	<u>Equipment</u>
2016	\$ 9,622,300	\$ 804,300
2017	7,936,479	804,300
2018	5,861,463	804,300
2019	4,955,608	804,300
2020	2,700,083	804,300
Total	<u>\$ 31,075,933</u>	<u>\$ 4,021,500</u>

During the period ended June 30, 2015 facilities and equipment rent expenses amounted to \$10,271,664.

**NOTE 11. CLAIMS AND JUDGMENTS**

The Department as a State Agency defined in the New Mexico Tort Claims Act, is insured through the Risk Management Division of the State of New Mexico. Annual premiums are paid to the Office of Risk Management Division for coverage provided in the following areas:

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

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. There is one judgment that is not covered by Risk Management. The judgment found the Department's contemptuous conduct deprived the plaintiffs of family relationships. CYFD is currently appealing the judgment and the case is currently being heard in appellate court.

Long-Term Litigation Liability

<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>\$ 3,600,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,600,000</u>

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**Notes to Financial Statements (Continued)**

**June 30, 2015**

**NOTE 12. DUE FROM AND DUE TO OTHER FUNDS**

Due from and due to other funds represent interfund receivables and payables from components of the general fund for budgetary purposes arising from interdepartmental transactions. All balances are expected to be repaid within the next fiscal year. These amounts have been eliminated on the government wide statements.

Amount Due from Other Funds			Amount Due to Other Funds		
Fund Name	SHARE Fund No.	Amount	Fund Name	SHARE Fund No.	Amount
FACTS	48900	\$ 223,521	General Fund	06700	\$ 223,521
FACTS	48900	26,654	Children's Social Security	49000	26,654
FACTS	49100	715,992	DayCare Fund	91100	715,992
JJDP/Children's Justice	84100	75,736	Regional Juvenile Services	20090	75,736
JJDP/Children's Justice	84100	56,739	Rep. Light	06800	56,739
CTF-Expendable	78000	26,370	CTF-Non-Expendable	78100	26,370
CTF-Non-Expendable	78100	10,121	CTF-Expendable	78000	10,121
CTF-Next Gen Expendable	94800	37	CTF-Next Gen Non-Expendable	94900	37
CTF-Next Gen Non-Expendable	94900	9,657	CTF-Next Gen Expendable	94800	9,657
Total		<u>\$ 1,144,827</u>			<u>\$ 1,144,827</u>

**NOTE 13. REVERSIONS**

Unexpended and unencumbered cash balances of certain accounts revert to the State General Fund at year end. Also, cash recoveries during the fiscal year from stale dated warrants and documents, Child Care licensing fees and fines per NMSA 24-1-5 are due to the State General Fund. The amount due to the State General Fund for 2015 reversions are:

General Fund

	Reversion Calculation	General Fund
Fund balance SHARE funds 06700, 48900 and 49100	\$ 5,216,491	\$ 5,216,491
Special Appropriations	-	-
Non reverting components of fund balances	-	(4,197,913)
Non-spendable fund balance	(276,211)	-
Restricted by law appropriation or the grant for future years for SHARE 06700, 48900 and 49100		
-Laws of 2015 Non-Reverting Language (ECS)	(2,108,103)	-
-Laws of 2015 Non-Reverting Language (PS)	(824,849)	-
-State Permanent and Land Income	(758,501)	-
-Annie Casey Foundation	(169,249)	-
-Walmart Grant	(1,000)	-
-Client Emergency	(60,000)	-
Current Year Reversion	<u>\$ 1,018,578</u>	<u>\$ 1,018,578</u>

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**Notes to Financial Statements (Continued)**

**June 30, 2015**

**NOTE 13. REVERSIONS (CONTINUED)**

General Fund (Continued)

Current year reversions are calculated only for reverting accounts (See list at Note 2 C).

Calculated reversion for 2015	\$ 1,018,578
Special Appropriations	142,669
Total General Fund Reversion	\$ 1,161,247

The balance in due to General Fund is made up of:

Calculated reversion for 2015	\$ 1,161,247
Licensing fees per NMSA 24-1-5	95,515
State Dated Warrants	1,318
Employee/Vendor Reimbursements & Penalty Fees	377,753
Facts Protective Services	-
Facts Child Care	(905)
Juvenile Community Corrections	-
Child Care Food	-
JJDP Children's Justice	270
Non-major funds due to	-
Total Due to State General Fund	\$ 1,635,198

The balance in the General Fund due to State General Fund account is made up of:

Major fund reversion	
General Operating	\$ 1,635,833
Facts Protective Services	-
Facts Child Care	(905)
Juvenile Community Corrections	-
Child Care Food	-
JJDP Children's Justice	270
Total Major Fund	\$ 1,635,198

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**Notes to Financial Statements (Continued)**

**June 30, 2015**

**NOTE 14. DUE FROM AND DUE TO OTHER STATE AGENCIES**

The following is a summary of due from and due to other State Agencies as a result of: Services provided by CYFD for HSD in a vendor relationship; interest earned on cash balances in the General Fund Investment pool at the State Treasurer; Charitable, Penal and Reform revenue from the Land Income Fund; the state share of Targeted Case Management to HSD; Birth and Death Certificates and Public Education Department for National School Lunch expenditures at CYFD facilities.

**A. Due From Other State Agencies**

Amount Due From Other Agencies			Other Agencies		
Fund Name	SHARE Fund No.	Amount	Fund Name	SHARE Fund No.	Amount
<b>General Fund</b>					
General Fund	06700	\$ 3,115,232	Public Education Dept.	21600	\$ 3,115,232
General Fund	06700	1,003,378	Human Services Dept.	05200	1,003,378
General Fund	06700	661,248	DFA	37600	661,248
General Fund	06700	3,029	DFA	76100	3,029
General Fund	06700	2,737	State Investment Council	60100	2,737
Child Care Fund	49100	2,543,958	Human Services Dept.	05200	2,543,958
Light Fund	06800	49	State Treasurer	80100	49
Children Justice	84100	<u>2,133</u>	DPS	12800	<u>2,133</u>
Total General Fund:		<u>\$ 7,331,764</u>			<u>\$ 7,331,764</u>

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**Notes to Financial Statements (Continued)**

**June 30, 2015**

**NOTE 14. DUE FROM AND DUE TO OTHER STATE AGENCIES (CONTINUED)**

**A. Due From Other State Agencies (Continued)**

Amount Due From Other Agencies			Other Agencies		
Fund Name	SHARE Fund No.	Amount	Fund Name	SHARE Fund No.	Amount
<u>Special Revenue Funds</u>					
Children's Expend. Trust	78000	\$ 2,050	MVD - Child Plate	82500	\$ 2,050
PreK Fund	20080	508,333	HSD	97500	508,333
Day Care	91100	<u>210,133</u>	DOH - Birth and Death	06100	<u>210,133</u>
Total Special Revenue		<u>720,516</u>			<u>720,516</u>
<u>Permanent Funds</u>					
Children's Non-Expend. Trust Fund	78100	116	State Treasurer	80100	116
Children's Trust Fund	94900	<u>37</u>	State Treasurer	80100	<u>37</u>
Total Permanent Fund		<u>153</u>			<u>153</u>
Total Non Major Governmental Funds		<u>720,669</u>			<u>720,669</u>
<u>Fiduciary Fund</u>					
Social Security	09600/49000	<u>68</u>	State Treasurer	80100	<u>68</u>
Total		<u>\$ 8,052,501</u>	Total		<u>\$ 8,052,501</u>

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**Notes to Financial Statements (Continued)**

**June 30, 2015**

**NOTE 14. DUE FROM AND DUE TO OTHER STATE AGENCIES (CONTINUED)**

**B. Due To Other State Agencies**

Interagency due to/from are expected to be settled within the next fiscal year.

Amount Due to Other Agencies			Other Agencies		
Fund Name	SHARE Fund No.	Amount	Fund Name	SHARE Fund No.	Amount
General Operating	06700	\$ 405,295	ALTSD	27000	\$ 405,295
General Operating	06700	31,990	Dept. of Finance	34100	31,990
General Operating	06700	52,147	Public Education Dept.	67200	52,147
Generating Operating	06700	1,577	Human Services Dept.	97600	1,577
Generating Operating	06700	12	Taxation & Revenue Dept.	828	12
Generating Operating	06700	23,295	Admin Office of Courts	49500	23,295
Facts Protective	48900	<u>29,006</u>	ALTSD	27000	<u>29,006</u>
Total		<u>\$ 543,322</u>			<u>\$ 543,322</u>

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**Notes to Financial Statements (Continued)**

**June 30, 2015**

**NOTE 15. INTERGOVERNMENTAL PAYABLES**

Due to Beneficiaries – Component Units, intergovernmental payables are expected to be settled within the next fiscal year.

Amount Due to Beneficiaries - CU s			Other Entity		
Fund Name	SHARE Fund No.	Amount	Fund Name	Agency No.	Amount
General Operating	06700	\$ 15,518	Eastern NM University	955	\$ 15,518
General Operating	06700	293,694	NM Highlands University	957	293,694
General Operating	06700	623,156	University of NM	969	623,156
Generating Operating	06700	76,097	Western NM	962	76,097
Early Childhood Care and Education	11520	76,715	University of NM	969	76,715
Juvenile Community Corrections	83900	\$ 2,500	NM Highlands University	957	2,500
		<u>\$ 1,087,680</u>			<u>\$ 1,087,680</u>
Total		<u>\$ 1,087,680</u>			<u>\$ 1,087,680</u>



**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**Notes to Financial Statements (Continued)**

**June 30, 2015**

**NOTE 16. TRANSFERS TO/FROM OTHER STATE AGENCIES**

The following is a summary of interagency cash transfers as a result of: the HIPPA transfers from the Department of Finance and Administration; transfers to Adult Long Term Services Department and Department of Finance and Administration.

<u>Transfers from other Agencies, including Special Appropriations</u>	<u>SHARE Number</u>	<u>Amount</u>
Department of Finance and Administration (Laws of 2014-Special Appropriation)	34100	\$ 79,800
Department of Finance and Administration (Laws of 2014-Compensation)	34100	2,971,700
		<u>\$ 3,051,500</u>
<u>Transfers to other Agencies</u>	<u>SHARE Number</u>	<u>Amount</u>
Adult Long Term Services Department (Title XX)	62400	\$ (2,228,279)
Department of Finance and Administration (CRB)	34100	(133,656)
Transfers to other agencies		<u>\$ (2,361,935)</u>

During the fiscal year, the Department transferred capital assets with a net book value of \$661,588, related to the Lincoln Pines facility, to the 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.

**NOTE 17. GOVERNMENTAL FUND BALANCES – NONSPENDABLE, RESTRICTED AND COMMITTED**

The Department's fund balances represent: (1) Nonspendable purposes include balances that are legally or contractually required to be maintained intact; (2) Restricted Purposes, which include balances that are legally restricted for specific purposes due to constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; (3) Committed Purposes, which include balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Legislative and Executive branches of the State. A summary of the nature and purpose of these reserves by fund type at June 30, 2015, follows:

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**Notes to Financial Statements (Continued)**

**June 30, 2015**

**NOTE 17. GOVERNMENTAL FUND BALANCES – NONSPENDABLE, RESTRICTED AND COMMITTED (CONTINUED)**

Fund/Program	Restriction	Committed Purposes	Restricted Purposes	Nonspendable Purposes
<b>General Fund:</b>				
General Operating	The operating account of the Department. (P576, P577, P578 and P580) - subsequent year's expenditures - NMSA 19-1-17 State Permanent and Land Income; Laws of 2015, 1st Session, Chapter 101 Section 5, Item 44 Non-Reverting Language.	\$ 3,539,082	\$ -	\$ -
General Operating	Supplies Inventory	-	-	276,211
Special Appn Light	Donation by Representative Light when CYFD was established as a Department	-	452,640	-
FACTS Protective Services	Established to disburse payments to providers in the foster care and adoption programs.	-	382,619	-
Juvenile Community Corrections	NMSA-33-9A.3 - Fund used to divert juveniles from institutions and reintegrate them with society.	-	1,830,260	-
Federal Childcare Food Account	Payments to child and adult care providers for meals served to children and adults in non-residential childcare settings	-	669,509	-
JJP/Children's Justice	Account established to implement the federal Juvenile Justice and Delinquency Prevention Act and the federal Children's Justice Act.	-	1,619,486	-
Total General Fund		<u>3,539,082</u>	<u>4,954,514</u>	<u>276,211</u>
<b>Fund Balance:</b>				
Children's Trust Fund	NMSA 1978 24-19-1 to 24-19-9 - contribute to Children's Trust Funds	-	980,027	-
CTF Next Generation	NMSA 1978 24-19-1 to 24-19-9 - used to account for general fund appropriations received for specific purposes.	-	294,402	-
Day Care	NMSA 24-14-29 - resources contributed to or earned by the Day Care Fund	-	2,717,370	-
Pre-Kindergarten	NMSA 32A-23-I - carry out provisions of the Pre-Kindergarten	-	5,087,807	-
Regional Juvenile Services	NMSA 32A-23-I - carry out provisions of the Juvenile Services Act	-	952,889	-
Early Childhood Services	NMSA 32A-23 A-6 - used to implement the State Early Childhood Care and Education Act	-	109,078	-
Permanent Children's Trust Fund	NMSA 24-19-4 is used to account for 50% of marriage license fees collected by county clerks	-	-	5,389,137
Permanent CTF Next Gen	NMSA 1978 24-19-1 to 24-19-9 - general fund appn., investments and interest on investments	-	-	1,766,443
Total Fund Balance - Restricted / Committed for Subsequent Years' Expenditures		<u>-</u>	<u>10,141,573</u>	<u>7,155,580</u>
Total Fund Balance		<u>\$ 3,539,082</u>	<u>\$ 15,096,087</u>	<u>\$ 7,431,791</u>

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**Notes to Financial Statements (Continued)**

**June 30, 2015**

**NOTE 18. FUNDS HELD IN TRUST BY OTHERS**

The Department is an income beneficiary of a portion of the State Permanent Fund derived from trust lands assigned to the Department by the Fergusson Act of 1898 and the New Mexico Enabling Act of 1910. These Acts together transferred surface acres and mineral acres of Federal Land to the Territory of New Mexico. The grants stipulate that such lands are to be held in trust for the benefit of specifically identified state institutions.

The Department is also an income beneficiary of a portion of the State Charitable, Penal and Reformatory Institutions Permanent Fund derived from trust lands assigned to the Department by the Fergusson Act of 1898 and the New Mexico Enabling Act of 1910.

Responsibility for the investment of the State Permanent Fund resides with the State Investment Officer.

Because the Department does not control the funds, they are not reflected in the accompanying financial statements. Income of approximately \$142,334 recognized in the general fund as a component of other state fund revenue.

The Department has a 2/7<sup>th</sup> interest in the State Charitable, Penal and Reformatory Institutions Fund. Income of \$1,286,643 is recognized in the general fund as interest on investments.

**NOTE 19. CONTINGENCY**

The Department receives funds from federal agencies. These funds are subject to audit and adjustment to the granting agency. Any disallowed amounts resulting from these audits would be required to be refunded.

**NOTE 20. SUBSEQUENT 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 District.

**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

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**Notes to Financial Statements (Continued)**

**June 30, 2015**

**NOTE 20. SUBSEQUENT PRONOUNCEMENTS (CONTINUED)**

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 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:

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  
Accounting and financial reporting for separately financed specific liabilities of individual employers and nonemployer contributing entities for defined benefit pensions  
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.

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**Notes to Financial Statements (Continued)**

**June 30, 2015**

**NOTE 20. SUBSEQUENT PRONOUNCEMENTS (CONTINUED)**

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.

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

***GASB 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.

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**June 30, 2015**

**GENERAL FUND**

*General Fund.* The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund. See Exhibit 7 for total general fund budget. The following accounts are components of the General Fund and pages 51 to 62 represent the individual component parts budgeted to actual comparison:

<b>SHARE FUND #</b>	<b>ACCOUNT</b>
06700	General Operating - the operating account of the Department. (P576, P577, P578, P782, P800, Z50608, Z80901, Z30718, and Z40566)
06800	Special Appropriation – Light - Donation by Representative Light when CYFD was established as a Department. Expenditures are unrestricted.
48900	FACTS Protective Services – Account established to issue “M” warrants which are payments to providers in the foster care and adoption programs.
49100	FACTS Child Care Payments - Account established to issue “M” warrants which are payments to child care providers who have delivered child care services to eligible families in need of day care.
83900	Juvenile Community Corrections - Account used to divert juveniles from institutions and reintegrate them with society.
84000	Federal Childcare Food Account - Payments to child and adult care providers for meals served to children and adults in non-residential childcare settings.
84100	JJDP/Children’s Justice - Account established to implement the federal Juvenile Justice and Delinquency Prevention Act and the federal Children’s Justice Act.

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

Schedule 1

**General Fund Accounts  
Schedule of Revenues and Expenditures  
Budget and Actual - Budgetary Basis**

**General Operating Account and Special Appropriations - Fund 06700**

**Year Ended June 30, 2015**

with summarized financial information for the year ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Prior Year</u>	<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Amended</u>	<u>Actual</u>		<u>Favorable</u>
					<u>(Unfavorable)</u>
Revenues					
General fund appropriation	\$ 161,096,500	\$ 161,214,700	\$ 50,000	161,164,700	\$ -
Federal funds	62,075,300	67,422,259		60,221,053	(7,201,206)
Other state funds	8,765,600	8,765,600	3,504,200	2,201,266	(3,060,134)
Other financing sources	-	-	-	3,051,500	3,051,500
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	231,937,400	237,402,559	<u>\$ 3,554,200</u>	<u>\$ 226,638,519</u>	<u>\$ (7,209,840)</u>
Budgeted fund balance	<hr/>	<hr/>			
	1,250,800	1,720,800			
Total revenues and budgeted fund balance	<hr/>	<hr/>			
	\$ 233,188,200	\$ 239,123,359			

	<u>Budgeted Amounts</u>		<u>Prior Year</u>	<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Amended</u>	<u>Actual</u>		<u>Favorable</u>
					<u>(Unfavorable)</u>
Expenditures					
Personnel services & benefits	\$ 131,478,800	\$ 134,593,179	\$ -	\$ 133,400,828	\$ 1,192,351
Contract services	73,744,287	75,449,867	944,849	66,417,024	9,032,843
Other costs	25,226,613	26,341,813	226,687	24,937,890	1,403,923
Other financing uses	2,738,500	2,738,500	-	2,361,935	376,565
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted expenditures	<u>\$ 233,188,200</u>	<u>\$ 239,123,359</u>	<u>\$ 1,171,536</u>	227,117,676	<u>\$ 12,005,682</u>
Less transfers to other agencies				<hr/>	<hr/>
				(2,361,935)	
Total GAAP expenditures				<hr/>	<hr/>
				\$ 224,755,741	

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

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

Schedule 2

**General Fund Accounts  
Schedule of Expenditures  
Budget and Actual - Budgetary Basis**

**Program Support - Fund 06700 P576**

**Year Ended June 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Expenditures</u>	Variance
	<u>Original</u>	<u>Amended</u>		Favorable (Unfavorable)
Expenditures				
Personnel services & benefits	\$ 12,156,700	\$ 12,281,700	\$ 12,275,729	\$ 5,971
Contract services	1,929,400	1,719,800	1,658,922	60,878
Other costs	4,794,900	5,554,500	5,478,913	75,587
Other financing uses	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted expenditures	<u>\$ 18,881,000</u>	<u>\$ 19,556,000</u>	<u>\$ 19,413,564</u>	<u>\$ 142,436</u>

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



**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

Schedule 3

**General Fund Accounts  
Schedule of Expenditures  
Budget and Actual - Budgetary Basis**

**Juvenile Justice Services Division - Fund 06700 P577**

**Year Ended June 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Expenditures</u>	Variance
	<u>Original</u>	<u>Amended</u>		Favorable (Unfavorable)
Expenditures				
Personnel services & benefits	\$ 55,645,800	\$ 55,845,800	\$ 55,840,226	\$ 5,574
Contract services	5,206,700	5,051,700	4,257,189	794,511
Other costs	6,550,800	6,975,800	6,551,713	424,087
Other financing uses	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted expenditures	<u>\$ 67,403,300</u>	<u>\$ 67,873,300</u>	<u>\$ 66,649,128</u>	<u>\$ 1,224,172</u>

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

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

Schedule 4

**General Fund Accounts  
Schedule of Expenditures  
Budget and Actual - Budgetary Basis**

**Protective Services Division - Fund 06700 P578**

**Year Ended June 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Expenditures</u>	Variance
	<u>Original</u>	<u>Amended</u>		<u>Favorable (Unfavorable)</u>
Expenditures				
Personnel services & benefits	\$ 52,646,300	\$ 54,000,400	\$ 53,463,219	\$ 537,181
Contract services	22,348,200	21,235,236	20,090,779	1,144,457
Other costs	9,710,000	10,441,563	10,426,523	15,040
Other financing uses	2,738,500	2,738,500	2,361,935	376,565
	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted expenditures	\$ 87,443,000	\$ 88,415,699	\$ 86,342,456	\$ 2,073,243
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

Schedule 5

**General Fund Accounts  
Schedule of Expenditures  
Budget and Actual - Budgetary Basis**

**Early Childhood Services - Fund 06700 P782**

**Year Ended June 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Expenditures</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Amended</u>		
Expenditures				
Personnel services & benefits	\$ 8,024,600	\$ 9,003,000	\$ 8,879,742	\$ 123,258
Contract services	30,505,800	31,215,830	26,576,129	4,639,701
Other costs	2,830,600	1,978,964	1,545,640	433,324
Other financing uses	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted expenditures	<u>\$ 41,361,000</u>	<u>\$ 42,197,794</u>	<u>\$ 37,001,511</u>	<u>\$ 5,196,283</u>

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

STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

Schedule 6

General Fund Accounts  
Schedule of Expenditures  
Budget and Actual - Budgetary Basis

Behavioral Health Services Division - Fund 06700 P800

Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Amended</u>		Favorable (Unfavorable)
Expenditures				
Personnel services & benefits	\$ 2,505,400	\$ 2,962,279	\$ 2,441,912	\$ 520,367
Contract services	10,954,700	13,148,901	11,706,894	1,442,007
Other costs	555,800	885,386	663,449	221,937
Other financing uses	-	-	-	-
	-----	-----	-----	-----
Total budgeted expenditures	<u>\$ 14,015,900</u>	<u>\$16,996,566</u>	<u>\$14,812,255</u>	<u>\$ 2,184,311</u>

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

STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

Schedule 7

General Fund Accounts  
Schedule of Expenditures  
Budget and Actual - Budgetary Basis

Special Appropriation - Fund 06700 Z50608

Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		Current Year <u>Actual</u>	Variance
	<u>Original</u>	<u>Amended</u>		Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ 500,000	\$ 500,000	\$ 500,000	\$ -
Federal funds	-	-	-	-
Other financing sources	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted revenues	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ -</u>

	<u>Budgeted Amounts</u>		Current Year <u>Actual</u> <u>Expenditures</u>	Variance
	<u>Original</u>	<u>Amended</u>		Favorable (Unfavorable)
Expenditures				
Personnel services & benefits	\$ 500,000	\$ 500,000	\$ 500,000	\$ -
Contract services	-	-	-	-
Other costs	-	-	-	-
Other financing uses	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted expenditures	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

Schedule 8

General Fund Accounts  
Schedule of Expenditures  
Budget and Actual - Budgetary Basis

Special Appropriation - Fund 06700 Z80901

Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Amended</u>		Favorable (Unfavorable)
<b>Revenues</b>				
General fund appropriation	\$ -	\$ -	\$ -	\$ -
Federal funds	-	-	-	-
Other financing sources	79,800	79,800	79,800	-
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue	<u>\$ 79,800</u>	<u>\$ 79,800</u>	<u>\$ 79,800</u>	<u>\$ -</u>
	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Amended</u>	<u>Expenditures</u>	Favorable (Unfavorable)
<b>Expenditures</b>				
Personnel services & benefits	\$ -	\$ -	\$ -	\$ -
Contract services	79,800	79,800	79,128	672
Other costs	-	-	-	-
Other financing uses	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted expenditures	<u>\$ 79,800</u>	<u>\$ 79,800</u>	<u>\$ 79,128</u>	<u>\$ 672</u>

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

STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

Schedule 9

General Fund Accounts  
Schedule of Expenditures  
Budget and Actual - Budgetary Basis

Special Appropriation - Fund 06700 Z30718

Year Ended June 30, 2015  
with summarized financial information for the year ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Prior Year Actual</u>	<u>Current Year Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Amended</u>			
<b>Revenues</b>					
General fund appropriation	\$ -	\$ -	\$ -	\$ -	\$ -
Federal funds	-	-	-	-	-
Other state funds	3,454,200	3,454,200	3,454,200	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Revenue	<u>\$ 3,454,200</u>	<u>\$ 3,454,200</u>	<u>\$ 3,454,200</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>Budgeted Amounts</u>		<u>Prior Year Actual Expenditures</u>	<u>Current Year Actual Expenditures</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Amended</u>			
<b>Expenditures</b>					
Personnel services & benefits	\$ -	\$ -	\$ -	\$ -	\$ -
Contract services	2,669,687	2,948,600	944,849	1,997,983	5,768
Other costs	784,513	505,600	226,687	271,652	7,261
Other financing uses	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted expenditures	<u>\$ 3,454,200</u>	<u>\$ 3,454,200</u>	<u>\$ 1,171,536</u>	<u>\$ 2,269,635</u>	<u>\$ 13,029</u>

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

STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

Schedule 10

General Fund Accounts  
Schedule of Expenditures  
Budget and Actual - Budgetary Basis

Special Appropriation - Fund 06700 Z40566

Year Ended June 30, 2015  
with summarized financial information for the year ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Prior Year Actual</u>	<u>Current Year Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Amended</u>			
Revenues					
General fund appropriation	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	\$ -
Federal funds	-	-	-	-	-
Other state funds	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Revenue	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ -</u>

	<u>Budgeted Amounts</u>		<u>Prior Year Actual Expenditures</u>	<u>Current Year Actual Expenditures</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Amended</u>			
Expenditures					
Personnel services & benefits	\$ -	\$ -	\$ -	\$ -	\$ -
Contract services	50,000	50,000	-	50,000	-
Other costs	-	-	-	-	-
Other financing uses	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted expenditures	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ -</u>

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



STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

Schedule 11

General Fund Accounts  
Schedule of Revenues and Expenditures  
Budget and Actual - Budgetary Basis

Special Appropriation - Light Account Fund 06800

Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Amended</u>		Favorable (Unfavorable)
Revenues				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	320	320
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 320</u>	<u>\$ 320</u>

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Amended</u>		Favorable (Unfavorable)
Expenditures				
	\$ -	\$ -	\$ -	\$ -
Total budgeted expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

Schedule 12

General Fund Accounts  
Schedule of Revenues and Expenditures  
Budget and Actual - Budgetary Basis

FACTS Protective Services and Special Appropriation - Fund 48900 P578 and Z50545

Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Amended</u>		
<b>Revenues</b>				
General fund appropriation	\$ 20,470,900	\$ 20,352,700	\$ 20,352,700	\$ -
Federal funds	23,617,200	26,896,828	27,477,791	580,963
Other state funds	1,950,000	1,950,000	1,819,616	(130,384)
	<u>\$ 46,038,100</u>	<u>\$ 49,199,528</u>	<u>\$ 49,650,107</u>	<u>\$ 450,579</u>
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Amended</u>	<u>Expenditures</u>	
<b>Expenditures</b>				
Other costs	<u>\$ 46,038,100</u>	<u>\$ 49,199,528</u>	<u>\$ 49,199,528</u>	<u>\$ -</u>
Audit entry to increase allowance for doubtful accounts			<u>67,960</u>	
Total GAAP expenditures			<u>\$ 49,267,488</u>	

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

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

Schedule 13

**General Fund Accounts  
Schedule of Revenues and Expenditures  
Budget and Actual - Budgetary Basis**

**FACTS Protective Services - Fund 48900 P578**

**Year Ended June 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Amended</u>		
<b>Revenues</b>				
General fund appropriation	\$ 19,470,900	\$ 19,352,700	\$ 19,352,700	\$ -
Federal funds	23,617,200	26,896,828	27,477,791	580,963
Other state funds	1,950,000	1,950,000	1,819,616	(130,384)
	<u>\$ 46,038,100</u>	<u>\$ 49,199,528</u>	<u>\$ 48,650,107</u>	<u>\$ 450,579</u>
	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Amended</u>	<u>Expenditures</u>	
<b>Expenditures</b>				
Other costs	<u>\$ 46,038,100</u>	<u>\$ 49,199,528</u>	<u>\$ 48,199,528</u>	<u>\$ 1,000,000</u>
			<u>67,960</u>	
Audit entry to increase allowance for doubtful accounts				
Total GAAP expenditures			<u>\$ 48,267,488</u>	

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

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

Schedule 14

**General Fund Accounts  
Schedule of Revenues and Expenditures  
Budget and Actual - Budgetary Basis**

**FACTS Protective Services - Fund 48900 Z50545**

**Year Ended June 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Amended</u>		
<b>Revenues</b>				
General fund appropriation	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -
Federal funds	-	-	-	-
Other state funds	-	-	-	-
	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -
Revenue	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Amended</u>	<u>Expenditures</u>	
<b>Expenditures</b>				
Personnel services & benefits	\$ -	\$ -	\$ -	\$ -
Contract services	-	-	-	-
Other costs	1,000,000	\$ 1,000,000	1,000,000	-
Other financing uses	-	-	-	-
	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -
Total budgeted expenditures	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -

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

STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

Schedule 15

General Fund Accounts  
Schedule of Revenues and Expenditures  
Budget and Actual - Budgetary Basis

FACTS Child Care Payments Account - Fund 49100 P782

Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Amended</u>		
Revenues				
General fund appropriation	\$ 30,290,400	\$ 30,290,400	\$ 30,290,400	\$ -
Federal funds	66,890,600	66,890,600	54,645,651	(12,244,949)
Other state funds	-	-	-	-
Total revenues	97,181,000	97,181,000	\$ 84,936,051	\$ (12,244,949)

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Amended</u>	<u>Expenditures</u>	
Expenditures				
Contract services	\$ -	\$ -	\$ -	\$ -
Other costs	97,181,000	97,181,000	84,483,066	12,697,934
Other financing uses	-	-	-	-
Total budgeted expenditures	\$ 97,181,000	\$ 97,181,000	84,483,066	\$ 12,697,934

Audit entry to increase allowance for doubtful accounts		452,985	
Total GAAP expenditures		\$ 84,936,051	

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

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

Schedule 16

**General Fund Accounts  
Schedule of Revenues and Expenditures  
Budget and Actual - Budgetary Basis**

**Juvenile Community Corrections Account - Fund 83900 P577**

**Year Ended June 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Amended</u>		Favorable (Unfavorable)
<b>Revenues</b>				
General fund appropriation	\$ 2,658,600	\$ 2,658,600	\$ 2,658,600	\$ -
Other state funds	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted revenues	2,658,600	2,658,600	<u>\$ 2,658,600</u>	<u>\$ -</u>
 Budgeted fund balance	 <hr/>	 <hr/>		
 Total revenues and budgeted fund balance	 <u>\$ 2,658,600</u>	 <u>\$ 2,658,600</u>		

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Amended</u>		Expenditures (Unfavorable)
<b>Expenditures</b>				
Personnel services & benefits	\$ 62,500	\$ 62,500	\$ 60,428	\$ 2,072
Contract services	2,596,100	2,586,100	1,972,560	613,540
Other costs	-	10,000	1,925	8,075
Other financing uses	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted expenditures	\$ 2,658,600	\$ 2,658,600	<u>\$ 2,034,913</u>	<u>\$ 623,687</u>

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

STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

Schedule 17

General Fund Accounts  
Schedule of Revenues and Expenditures  
Budget and Actual - Budgetary Basis

Family Nutrition-Federal Child  
Care Food Account - Fund 84000 P782

Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Amended</u>		Favorable (Unfavorable)
Revenues				
Federal funds	\$ 41,197,900	\$ 41,197,900	\$ 38,699,245	\$ (2,498,655)
Other state funds	-	-	2,014	2,014
	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted revenues	<u>\$ 41,197,900</u>	<u>\$ 41,197,900</u>	<u>\$ 38,701,259</u>	<u>\$ (2,496,641)</u>

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Amended</u>		Expenditures Favorable (Unfavorable)
Expenditures				
Personnel services & benefits	\$ -	\$ -	\$ -	\$ -
Contract services	-	-	-	-
Other costs	41,197,900	41,197,900	38,605,392	2,592,508
Other financing uses	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted expenditures	<u>\$ 41,197,900</u>	<u>\$ 41,197,900</u>	<u>\$ 38,605,392</u>	<u>\$ 2,592,508</u>

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

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

Schedule 18

**General Fund Accounts  
Schedule of Revenues and Expenditures  
Budget and Actual - Budgetary Basis**

**Juvenile Justice & Delinquency Prevention - Fund 84100 P580**

**Year Ended June 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Amended</u>		Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ 102,100	\$ 102,100	\$ 102,100	-
Federal funds	632,900	945,492	670,684	(274,808)
Other state funds	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted revenues	<u>\$ 735,000</u>	<u>\$ 1,047,592</u>	<u>\$ 772,784</u>	<u>\$ (274,808)</u>

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Amended</u>		Expenditures (Unfavorable)
Expenditures				
Personnel services & benefits	\$ 42,400	\$ 92,747	\$ 83,029	\$ 9,718
Contract services	598,700	911,192	607,897	303,295
Other costs	93,900	43,653	20,905	22,748
Other financing uses	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted expenditures	<u>\$ 735,000</u>	<u>\$ 1,047,592</u>	<u>\$ 711,831</u>	<u>\$ 335,761</u>

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



**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**June 30, 2015**

**SHARE  
FUND #**

**ACCOUNT**

**SPECIAL REVENUE FUNDS**

78000	Children's Trust Fund – This fund is created by NMSA 24-19-2 and is used to account for 50% of marriage license fees collected by county clerks, interest on investments and private donations to advocate for and educate about the prevention of child abuse and neglect.
94800	Children's Trust Fund Next Generation – This fund is created by NMSA 24-19-2 and is used to account for general fund appropriations to fund projects and programs that provide positive child and youth development activities that support physical, mental and social well-being.
91100	Day Care – This fund is authorized by NMSA 24-14-29 and accounts for financial assistance to the Department from a portion of birth and death certificate fees for use in implementing the income-eligible day-care program.
20080	Pre-Kindergarten – This fund is authorized by NMSA 32A-23-1 and is used to account for appropriations to carry out the provisions of the Pre-Kindergarten Act. This is a non-reverting fund.
20090	Regional Juvenile Services – This fund is authorized by NMSA 33-12-1 and is used to account for appropriations to carry out the provisions of the Juvenile Services Act. This is a non-reverting fund.
89000	ARRA of 2009 – The legal authority governing the "ARRA" (American Recovery and Reinvestment Act) funding is Section 6-3-23(D) NMSA 1978 and the federal grant of award. The Department set up the Federal Stimulus Funds separately so that the funds could be tracked efficiently for federal reporting purposes.
11520	Early Childhood Care and Education – This fund is created by NMSA 32A-23A-6 and is used to implement the State Early Childhood Care and Education Act.

**PERMANENT FUNDS**

78100	Children's Trust Fund – This fund is created by NMSA 24-19-4 and is used to account for 50% of marriage license fees collected by county clerks. This fund is not budgeted.
94900	Children's Trust Fund Next Generation – This fund is used to account for general fund appropriations, investments and interest on investments. This fund is not budgeted.

**CAPITAL PROJECT FUND**

59700	Capital Project Fund – This fund is used to account for the projects of Children, Youth and Families Department and funded by appropriations or transfers from other state agencies.
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**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT  
Combining Balance Sheet  
Non-Major Governmental Funds**

June 30, 2015

	78000	94800	91100	20080	20090	89000	11520	78100	94900	59700	Total Non-Major Governmental Funds
	Children's Trust Fund	CTF Next Generation	Day Care	Pre- Kindergarten	Regional Juvenile Services	ARRA of 2009	Early Childhood Care and Education	Permanent Children's Trust Fund	Permanent CTF Next Gen	Capital Project Fund	
<b>ASSETS</b>											
State Fund Investment Pool	\$ 736,755	\$ 12,752	\$ 3,223,229	\$ 5,933,544	\$ 2,024,965	\$ 86	\$ 216,219	\$ 1,652,980	\$ 522,787	\$ -	\$ 14,323,317
Due from other funds	26,370	37	-	-	-	-	-	10,121	9,657	-	46,185
Due from other agencies	2,050	-	210,133	508,333	-	-	-	116	37	-	720,669
Accounts receivable, net	11,625	-	-	-	-	103	-	11,625	-	-	23,353
Other Assets	-	-	-	-	-	120	-	-	-	-	120
Investments at SIC	262,256	291,270	-	-	-	-	-	3,740,665	1,233,999	-	5,528,190
<b>Total assets</b>	<b>\$ 1,039,056</b>	<b>\$ 304,059</b>	<b>\$ 3,433,362</b>	<b>\$ 6,441,877</b>	<b>\$ 2,024,965</b>	<b>\$ 309</b>	<b>\$ 216,219</b>	<b>\$ 5,415,507</b>	<b>\$ 1,766,480</b>	<b>\$ -</b>	<b>\$ 20,641,834</b>
<b>LIABILITIES AND FUND BALANCE</b>											
Deficit State Fund Investment Pool	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	47,278	-	-	1,354,070	996,340	-	30,426	-	-	-	2,428,114
Accrued payroll	636	-	-	-	-	-	-	-	-	-	636
Other payroll related liabilities and withholdings	994	-	-	-	-	-	-	-	-	-	994
Other accrued liabilities	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	10,121	9,657	715,992	-	75,736	-	-	26,370	37	-	837,913
Due to beneficiaries	-	-	-	-	-	-	76,715	-	-	-	76,715
Due to other state agencies	-	-	-	-	-	-	-	-	-	-	-
Due to state general fund	-	-	-	-	-	-	-	-	-	-	-
Due to federal government	-	-	-	-	-	309	-	-	-	-	309
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>59,029</b>	<b>9,657</b>	<b>715,992</b>	<b>1,354,070</b>	<b>1,072,076</b>	<b>309</b>	<b>107,141</b>	<b>26,370</b>	<b>37</b>	<b>-</b>	<b>3,344,681</b>
<b>FUND BALANCES</b>											
Non-spendable - permanent	-	-	-	-	-	-	-	5,389,137	1,766,443	-	7,155,580
Restricted											
Children's Trust Funds	980,027	294,402	-	-	-	-	-	-	-	-	1,274,429
Day Care fund	-	-	2,717,370	-	-	-	-	-	-	-	2,717,370
Subsequent year's expenditures	-	-	-	5,087,807	952,889	-	109,078	-	-	-	6,149,774
Committed	-	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>980,027</b>	<b>294,402</b>	<b>2,717,370</b>	<b>5,087,807</b>	<b>952,889</b>	<b>-</b>	<b>109,078</b>	<b>5,389,137</b>	<b>1,766,443</b>	<b>-</b>	<b>17,297,153</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 1,039,056</b>	<b>\$ 304,059</b>	<b>\$ 3,433,362</b>	<b>\$ 6,441,877</b>	<b>\$ 2,024,965</b>	<b>\$ 309</b>	<b>\$ 216,219</b>	<b>\$ 5,415,507</b>	<b>\$ 1,766,480</b>	<b>\$ -</b>	<b>\$ 20,641,834</b>

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

STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

Schedule 20

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Non Major Governmental Funds

Year Ended June 30, 2015

	78000	94800	91100	20080	20090	89000	11520	78100	94900	59700	
	Children's Trust Fund	CTF Next Generation	Day Care	Pre- Kindergarten	Regional Juvenile Services	ARRA of 2009	Early Childhood Care and Education	Permanent Children's Trust Fund	Permanent CTF Next Gen	Capital Project Fund	Total Non-Major Governmental Funds
<b>REVENUES</b>											
Other state funds	\$ 148,294	\$ -	\$ 802,708	\$ -	\$ -	\$ -	\$ 401,478	\$ 119,829	\$ -	\$ -	\$ 1,472,309
Federal revenue	-	-	-	6,100,000	-	-	-	-	-	-	6,100,000
Interest (loss) on investments	18,956	19,794	-	-	-	-	-	231	19,356	-	58,337
<b>Total revenues</b>	<b>167,250</b>	<b>19,794</b>	<b>802,708</b>	<b>6,100,000</b>	<b>-</b>	<b>-</b>	<b>401,478</b>	<b>120,060</b>	<b>19,356</b>	<b>-</b>	<b>7,630,646</b>
<b>EXPENDITURES</b>											
Current operating											
Health and welfare	280,161	-	715,993	17,545,478	2,833,332	-	292,400	-	-	-	21,667,364
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>280,161</b>	<b>-</b>	<b>715,993</b>	<b>17,545,478</b>	<b>2,833,332</b>	<b>-</b>	<b>292,400</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,667,364</b>
Excess (deficiency) of											
Revenues over expenditures	(112,911)	19,794	86,715	(11,445,478)	(2,833,332)	-	109,078	120,060	19,356	-	(14,036,718)
<b>OTHER FINANCING SOURCES AND (USES)</b>											
General fund appropriations	221,400	-	-	14,264,700	2,690,000	-	-	-	-	-	17,176,100
Special Appropriations	-	-	-	-	-	-	-	-	-	-	-
Transfer to other State Agencies	-	-	-	-	-	-	-	-	-	-	-
General fund reversions	-	-	-	-	-	-	-	-	-	-	-
<b>Total other financing sources and (uses)</b>	<b>221,400</b>	<b>-</b>	<b>-</b>	<b>14,264,700</b>	<b>2,690,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,176,100</b>
<b>Net change in fund balances</b>	<b>108,489</b>	<b>19,794</b>	<b>86,715</b>	<b>2,819,222</b>	<b>(143,332)</b>	<b>-</b>	<b>109,078</b>	<b>120,060</b>	<b>19,356</b>	<b>-</b>	<b>3,139,382</b>
Fund balances, beginning	871,538	274,608	2,630,655	2,268,585	1,096,221	-	-	5,269,077	1,747,087	-	14,157,771
<b>Fund balances, ending</b>	<b>\$ 980,027</b>	<b>\$ 294,402</b>	<b>\$ 2,717,370</b>	<b>\$ 5,087,807</b>	<b>\$ 952,889</b>	<b>\$ -</b>	<b>\$ 109,078</b>	<b>\$ 5,389,137</b>	<b>\$ 1,766,443</b>	<b>\$ -</b>	<b>\$ 17,297,153</b>

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

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

Schedule 21

**Special Revenue Accounts  
Schedule of Revenues and Expenditures  
Budget and Actual - Budgetary Basis**

**Children's Trust Fund - Fund 78000 P578**

**Year Ended June 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Amended</u>		Favorable (Unfavorable)
<b>Revenues</b>				
General fund appropriation	\$ 221,400	\$ 221,400	\$ 221,400	\$ -
Other state funds	155,400	155,400	167,250	11,850
	<u>\$ 376,800</u>	<u>\$ 376,800</u>	<u>388,650</u>	<u>\$ 11,850</u>

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Expenditures</u>	Variance
	<u>Original</u>	<u>Amended</u>		Favorable (Unfavorable)
<b>Expenditures</b>				
Personnel services & benefits	\$ 30,100	\$ 30,100	30,100	\$ -
Contract services	319,900	319,900	244,509	75,391
Other costs	26,800	26,800	5,552	21,248
Other financing uses	-	-	-	-
	<u>\$ 376,800</u>	<u>\$ 376,800</u>	<u>\$ 280,161</u>	<u>\$ 96,639</u>

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

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

Schedule 22

**Special Revenue Accounts  
Schedule of Revenues and Expenditures  
Budget and Actual - Budgetary Basis**

**Children's Trust Fund - Fund 94800 P578**

**Year Ended June 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Amended</u>		Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	19,794	19,794
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>19,794</u>	<u>\$ 19,794</u>

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Amended</u>		Favorable (Unfavorable)
Expenditures				
Personnel services & benefits	\$ -	\$ -	\$ -	\$ -
Contract services	-	-	-	-
Other costs	-	-	-	-
Other financing uses	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

Schedule 23

**Special Revenue Accounts  
Schedule of Revenues and Expenditures  
Budget and Actual - Budgetary Basis**

**Day Care Fund - Fund 91100 P782**

**Year Ended June 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Amended</u>		
<b>Revenues</b>				
Other state funds	\$ 750,000	\$ 750,000	\$ 802,708	\$ 52,708
Total budget revenues	\$ 750,000	\$ 750,000	\$ 802,708	\$ 52,708
	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Amended</u>	<u>Expenditures</u>	
<b>Expenditures</b>				
Other costs	\$ 750,000	\$ 750,000	\$ 715,993	\$ 34,007
Other financing uses	-	-	-	-
Total budgeted expenditures	\$ 750,000	\$ 750,000	\$ 715,993	\$ 34,007

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

STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

Schedule 24

Special Revenue Accounts  
Schedule of Revenues and Expenditures  
Budget and Actual-Budgetary Basis

Public Pre-Kindergarten - Fund 20080 P782

Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Amended</u>		Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ 14,264,700	\$ 14,264,700	\$ 14,264,700	\$ -
Federal funds	6,100,000	6,100,000	6,100,000	-
Other state funds	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted revenues	<u>\$ 20,364,700</u>	<u>\$ 20,364,700</u>	<u>\$ 20,364,700</u>	<u>\$ -</u>

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Amended</u>		Expenditures Favorable (Unfavorable)
Expenditures				
Personnel services & benefits	\$ 191,100	\$ 286,100	\$ 258,923	\$ 27,177
Contract services	19,968,500	19,968,500	17,262,578	2,705,922
Other costs	205,100	110,100	23,977	86,123
Other financing uses	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted expenditures	<u>\$ 20,364,700</u>	<u>\$ 20,364,700</u>	<u>\$ 17,545,478</u>	<u>\$ 2,819,222</u>

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

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

Schedule 25

**Special Revenue Accounts  
Schedule of Revenues and Expenditures  
Budget and Actual-Budgetary Basis**

**Regional Juvenile Services - Fund 20090 P577**

**Year Ended June 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Amended</u>		Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ 2,690,000	\$ 2,690,000	\$ 2,690,000	\$ -
Federal funds	-	-	-	-
Other state funds	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted revenues	2,690,000	2,690,000	<u>\$ 2,690,000</u>	<u>\$ -</u>
 Budgeted fund balance	 <hr/>	 418,215		
 Total revenues and budgeted fund balance	 <u>\$ 2,690,000</u>	 <u>\$ 3,108,215</u>		

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Amended</u>		Expenditures Favorable (Unfavorable)
Expenditures				
Personnel services & benefits	\$ -	\$ -	\$ -	\$ -
Contract services	2,690,000	3,108,215	2,833,332	274,883
Other costs	-	-	-	-
Other financing uses	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted expenditures	<u>\$ 2,690,000</u>	<u>\$ 3,108,215</u>	<u>\$ 2,833,332</u>	<u>\$ 274,883</u>

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



STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

Schedule 26

Special Revenue Accounts  
Schedule of Revenues and Expenditures  
Budget and Actual-Budgetary Basis

ARRA of 2009 - Fund 89000

Year Ended June 30, 2015

with summarized financial information for the year ended June 30, 2014

	2009 - 2014		Prior Year <u>Actual</u>	Current Year <u>Actual</u>	Variance
	<u>Budgeted Amounts</u>				Favorable
	<u>Original</u>	<u>Amended</u>			(Unfavorable)
Revenues					
General fund appropriation	\$ -	\$ -	\$ -	\$ -	\$ -
Federal funds	30,101,806	30,101,806	29,867,110	-	(234,696)
Other state funds	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted revenues	<u>\$30,101,806</u>	<u>\$30,101,806</u>	<u>\$29,867,110</u>	<u>\$ -</u>	<u>\$ (234,696)</u>

	Budgeted Amounts		Actual <u>Expenditures</u>	Actual <u>Expenditures</u>	Variance
	<u>Original</u>	<u>Amended</u>			Favorable
	<u>Original</u>	<u>Amended</u>			(Unfavorable)
Expenditures					
Personnel services & benefits	\$ 257,905	\$ 257,905	\$ 257,904	\$ -	\$ 1
Contract services	6,517,222	6,517,222	6,316,953	-	200,269
Other costs	23,326,679	23,326,679	23,289,253	-	37,426
Other financing uses	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted expenditures	<u>\$30,101,806</u>	<u>\$30,101,806</u>	<u>\$29,864,110</u>	<u>\$ -</u>	<u>\$ 237,696</u>

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

STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

Schedule 27

Special Revenue Accounts  
Schedule of Revenues and Expenditures  
Budget and Actual - Budgetary Basis

Early Childhood Care - Fund 11520 P782

Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Amended		
<b>Revenues</b>				
General fund appropriation	\$ -	\$ -	\$ -	\$ -
Federal funds	-	-	-	-
Other state funds	-	292,400	401,478	109,078
Total budgeted revenues	-	-	\$ 401,478	\$ 109,078
Budgeted fund balance				
Total revenues and budgeted fund balance	\$ -	\$ -		
	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Amended	Expenditures	
<b>Expenditures</b>				
Contract services	\$ -	\$ 292,400	292,400	\$ -
Other costs	-	-	-	-
Other Financing Uses	-	-	-	-
Total budgeted expenditures	\$ -	\$ 292,400	\$ 292,400	\$ -

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

STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

Schedule 28

Special Revenue Accounts  
Schedule of Revenues and Expenditures  
Budget and Actual - Budgetary Basis

Capital Project - Fund 59700

Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Amended</u>		Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ -	\$ -	\$ -	\$ -
Federal funds	-	-	-	-
Other state funds	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Amended</u>		Favorable (Unfavorable)
Expenditures				
Contract services	\$ -	\$ -	\$ -	\$ -
Other costs	-	-	-	-
Other Financing Uses	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**SUPPLEMENTAL INFORMATION REQUIRED BY SECTION 2.2.2 NMAC**

STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

Schedule 29

Schedule of General Fund Components - Balance Sheet - General Funds

June 30, 2015

	06700	06800	48900	49100	83900	84000	84100	Total General Fund
	General Operating	Special Appropriation - Light	FACTS Protective Services	FACTS Child Care Payments	Juvenile Community Corrections	Federal Childcare Food Account	JJDP/Children's Justice	
<b>ASSETS</b>								
State Fund Investment Pool	\$ 6,464,091	\$ 695,157	\$ 1,489,462	\$ -	\$ 2,126,783	\$ 531,388	\$ 1,479,286	\$ 12,786,167
Cash	60,000	-	-	-	-	-	-	60,000
Accounts receivable, net	15,512,441	-	2,559,015	6,355,032	-	3,966,506	52,394	28,445,388
Due from other funds	-	-	250,175	715,992	-	-	132,475	1,098,642
Due from other agencies	4,785,623	49	-	2,543,958	-	-	2,134	7,331,764
Supplies inventory	276,211	-	-	-	-	-	-	276,211
Other assets	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 27,098,366</b>	<b>\$ 695,206</b>	<b>\$ 4,298,652</b>	<b>\$ 9,614,982</b>	<b>\$ 2,126,783</b>	<b>\$ 4,497,894</b>	<b>\$ 1,666,289</b>	<b>\$ 49,998,172</b>
<b>LIABILITIES AND FUND BALANCE</b>								
Deficit State Fund Investment Pool	\$ -	\$ -	\$ -	\$ 2,052,799	\$ -	\$ -	\$ -	\$ 2,052,799
Accounts payable	15,275,344	-	3,737,862	7,562,799	293,146	3,828,215	45,465	30,742,831
Accrued payroll	1,691,129	-	-	-	822	-	-	1,691,951
Other payroll related liabilities and withholdings	1,734,474	-	-	-	55	-	-	1,734,529
Other accrued liabilities	229,195	-	-	-	-	-	-	229,195
Due to other funds	223,521	56,739	-	-	-	-	-	280,260
Due to beneficiaries	1,008,465	-	-	-	2,500	-	-	1,010,965
Due to other agencies	514,316	-	29,006	-	-	-	-	543,322
Due to state general fund	1,635,832	-	-	(905) *	-	-	271	1,635,198
Due to federal government	545,357	-	149,165	289	-	170	1,067	696,048
Unearned revenue	425,440	185,827	-	-	-	-	-	611,267
<b>Total liabilities</b>	<b>23,283,073</b>	<b>242,566</b>	<b>3,916,033</b>	<b>9,614,982</b>	<b>296,523</b>	<b>3,828,385</b>	<b>46,803</b>	<b>41,228,365</b>
<b>FUND BALANCES</b>								
Nonspendable fund balance - inventory	276,211	-	-	-	-	-	-	276,211
Restricted								
By law or grant	-	452,640	382,619	-	1,830,260	669,509	1,619,486	4,954,514
Subsequent year's expenditures appropriations	-	-	-	-	-	-	-	-
Committed	3,539,082	-	-	-	-	-	-	3,539,082
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>3,815,293</b>	<b>452,640</b>	<b>382,619</b>	<b>-</b>	<b>1,830,260</b>	<b>669,509</b>	<b>1,619,486</b>	<b>8,769,807</b>
<b>Total liabilities, and deferred inflows of resources and fund balances</b>	<b>\$ 27,098,366</b>	<b>\$ 695,206</b>	<b>\$ 4,298,652</b>	<b>\$ 9,614,982</b>	<b>\$ 2,126,783</b>	<b>\$ 4,497,894</b>	<b>\$ 1,666,289</b>	<b>\$ 49,998,172</b>

\*Debit balance is a result of a journal entry recorded by DFA during the cash remediation project. This will be remedied during FY16, but the Department was instructed to keep this balance in this account.

STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

Schedule 30

Schedule of General Fund Components - Statement of Revenues, Expenditures, and Changes in Fund Balances - General Funds

Year Ended June 30, 2015

	06700	06800 Special Appropriation - Light	48900 FACTS Protective Services	49100 FACTS Child Care Payments	83900 Juvenile Community Corrections	84000 Federal Childcare Food Account	84100 JJDP/Children's Justice	Total General Fund
<b>REVENUES</b>								
Federal funds	\$ 60,221,053	\$ -	\$ 27,477,791	\$ 54,645,651	\$ -	\$ 38,699,245	\$ 670,684	\$ 181,714,424
Other state funds	881,127	320	1,819,616	-	-	2,014	-	2,703,077
Interest	1,320,139	-	-	-	-	-	-	1,320,139
<b>Total revenues</b>	<b>62,422,319</b>	<b>320</b>	<b>29,297,407</b>	<b>54,645,651</b>	<b>-</b>	<b>38,701,259</b>	<b>670,684</b>	<b>185,737,640</b>
<b>EXPENDITURES</b>								
Current operating:								
Health and Welfare	224,510,676	-	49,267,488	84,936,051	-	38,605,392	-	397,319,607
Public Safety	-	-	-	-	2,034,913	-	711,831	2,746,744
Capital outlay	245,065	-	-	-	-	-	-	245,065
<b>Total expenditures</b>	<b>224,755,741</b>	<b>-</b>	<b>49,267,488</b>	<b>84,936,051</b>	<b>2,034,913</b>	<b>38,605,392</b>	<b>711,831</b>	<b>400,311,416</b>
Excess (deficiency) of Revenues over expenditures	(162,333,422)	320	(19,970,081)	(30,290,400)	(2,034,913)	95,867	(41,147)	(214,573,776)
<b>OTHER FINANCING SOURCES AND (USES)</b>								
General fund appropriations	161,164,700	-	20,352,700	30,290,400	2,658,600	-	102,100	214,568,500
Special appropriations	1,822,869	-	-	-	-	-	-	1,822,869
Transfers from other State Agencies	1,228,631	-	-	-	-	-	-	1,228,631
Transfers to other State Agencies	(2,361,935)	-	-	-	-	-	-	(2,361,935)
General fund reversions	(1,018,578)	-	-	-	-	-	-	(1,018,578)
<b>Total other financing sources and (uses)</b>	<b>160,835,687</b>	<b>-</b>	<b>20,352,700</b>	<b>30,290,400</b>	<b>2,658,600</b>	<b>-</b>	<b>102,100</b>	<b>214,239,487</b>
Net change in fund balances	(1,497,735)	320	382,619	-	623,687	95,867	60,953	(334,289)
Fund balances, beginning of year	5,313,028	452,320	-	-	1,206,573	573,642	1,558,533	9,104,096
<b>Fund balances, ending</b>	<b>\$ 3,815,293</b>	<b>\$ 452,640</b>	<b>\$ 382,619</b>	<b>\$ -</b>	<b>\$ 1,830,260</b>	<b>\$ 669,509</b>	<b>\$ 1,619,486</b>	<b>\$ 8,769,807</b>

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**Agency Funds**

**June 30, 2015**

**SHARE  
FUND #**

**ACCOUNT**

**AGENCY FUNDS**

25500	Resident Agency Accounts – Agency funds are used to account for assets held as an agent for other governmental units, individuals and other funds. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Resident Agency Accounts consist of individual resident assets which are under the control of the Department.
49000/09600	Children’s Social Security Agency Fund – These funds are used to account for collections and payments for the benefit of certain children who are designated as wards of the State. Cash is received primarily from the Social Security Administration.

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

Schedule 31

**Schedule of Changes in Assets and Liabilities - Agency Funds**

**Year Ended June 30, 2015**

<u>Fund 25500</u>	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015
<u>Resident Agency Accounts</u>				
<u>Assets</u>				
Cash	\$ 35,687	\$ 16,748	\$ 11,584	\$ 40,851
<u>Liabilities</u>				
Deposits held for others	\$ 35,687	\$ 16,748	\$ 11,584	\$ 40,851
<u>Funds 49000/09600</u>				
<u>Children's Social Security Agency Funds</u>				
<u>Assets</u>				
State Fund Investment Pool	\$ 661,062	\$ 2,279,206	\$ 2,270,871	\$ 669,397
Due from other agencies	68	118	118	68
Total Assets	\$ 661,130	\$ 2,279,324	\$ 2,270,989	\$ 669,465
<u>Liabilities</u>				
Deposits held for others	\$ 661,130	\$ 2,669,551	\$ 2,687,870	\$ 642,811
Due to other funds	-	26,654	-	26,654
Total Liabilities	\$ 661,130	\$ 2,696,205	\$ 2,687,870	\$ 669,465
<u>Combined Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 35,687	\$ 16,748	\$ 11,584	\$ 40,851
State Fund Investment Pool	661,062	2,279,206	2,270,871	669,397
Due from other agencies	68	118	118	68
Total assets	\$ 696,817	\$ 2,296,072	\$ 2,282,573	\$ 710,316
<u>Liabilities</u>				
Deposits held for others	\$ 696,817	\$ 2,686,299	\$ 2,699,454	\$ 683,662
Due to other funds	-	26,654	-	26,654
Total Liabilities	\$ 696,817	\$ 2,712,953	\$ 2,699,454	\$ 710,316



STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

Schedule 32

Schedule of Cash Accounts

Year Ended June 30, 2015

Name of Depository	Account Name	Fund Type	SHARE Fund No.	Type of Account	Interest Bearing	Cash per Bank	Less Outstanding Warrants	Other Reconciling Items	Reconciled Balance at June 30, 2015
<b>General Fund:</b>									
Wells Fargo Bank	Client Emergency Misc. Expenses	General	06700	Checking	No	\$ 56,932	\$ (804)	\$ 3,872	\$ 60,000
N/A	Petty Cash	General	06700	Petty Cash	-	-	-	-	-
Total General Fund cash						56,932	(804)	3,872	60,000
<b>Fiduciary Funds:</b>									
Bank of America	YDDC - Girls' Resident Trust	Agency	99600	Checking	No	30,284	(1,862)	-	28,422
Bank of America	YDDC - Girls' Resident Activity	Agency	99600	Checking	No	6,941	-	132	7,073
Washington Federal	J. Paul Taylor - Resident Trust	Agency	99600	Checking	No	4,770	(352)	-	4,418
Washington Federal	J. Paul Taylor - Resident Activity	Agency	99600	Checking	No	522	-	32	554
Washington Federal	LPYC - Resident Trust	Agency	99600	Checking	No	178	(20)	5	163
Washington Federal	LPYC - Resident Activity	Agency	99600	Checking	No	211	-	10	221
Total Fiduciary Funds cash						42,906	(2,234)	179	40,851
Total Department cash						\$ 99,838	\$ (3,038)	\$ 4,051	\$ 100,851
<b>General Fund - State Treasurer (with SHARE fund numbers)</b>									
State Treasurer	General Operating	General	06700	State Treasurer	No	\$ 6,464,091	\$ -	\$ -	\$ 6,464,091
State Treasurer	Special Appropriation - Light	General	06800	State Treasurer	No	695,157	-	-	695,157
State Treasurer	FACTS Protective Services	General	48900	State Treasurer	No	1,489,462	-	-	1,489,462
State Treasurer	FACTS Child Care Payments	General	49100	State Treasurer	No	(2,052,799)	-	-	(2,052,799)
State Treasurer	Juvenile Community Corrections	General	83900	State Treasurer	No	2,126,783	-	-	2,126,783
State Treasurer	Federal Childcare Food	General	84000	State Treasurer	No	531,388	-	-	531,388
State Treasurer	JJDP/Children's Justice	General	84100	State Treasurer	No	1,479,286	-	-	1,479,286
State Treasurer	Children's Trust Fund	Special Revenue	78000	State Treasurer	No	736,755	-	-	736,755
State Treasurer	CTF Next Generation	Special Revenue	94800	State Treasurer	No	12,752	-	-	12,752
State Treasurer	Day Care	Special Revenue	91100	State Treasurer	No	3,223,229	-	-	3,223,229
State Treasurer	Pre-Kindergarten	Special Revenue	20080	State Treasurer	No	5,933,544	-	-	5,933,544
State Treasurer	Regional Juvenile Services	Special Revenue	20090	State Treasurer	No	2,024,965	-	-	2,024,965
State Treasurer	ARRA of 2009	Special Revenue	89000	State Treasurer	No	86	-	-	86
State Treasurer	Early Childhood Care and Ed	Special Revenue	11520	State Treasurer	No	216,219	-	-	216,219
State Treasurer	Permanent Children's Trust	Special Revenue	78100	State Treasurer	No	1,652,980	-	-	1,652,980
State Treasurer	Permanent CTF Next Gen	Special Revenue	94900	State Treasurer	No	522,787	-	-	522,787
State Treasurer	Capital Projects	Capital Projects	59700	State Treasurer	No	-	-	-	-
State Treasurer	Children's Social Security	Fiduciary	09600/49000	State Treasurer	No	669,397	-	-	669,397
Total State General Fund Investment Pool						\$ 25,726,082	\$ -	\$ -	\$ 25,726,082

STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

Schedule of Joint Powers Agreements

June 30, 2015

JPA Number (FY, Agency Code, Division Number)	Primary Party Secondary Party	Responsible Party	Description of Services	Beginning Dates of Agreement	Ending Dates of Agreement	Amount Agency Contributed in FY	Audit Responsibility
10-690-00-10048	Bernalillo County Metro Detention Center	CYFD	YF - Youth and Families Services	7/1/2009	6/30/2015	\$403,900.00	100% CYFD
10-690-00-11384	University of New Mexico	CYFD	YF - Youth and Families Services	2/3/2010	9/30/2015	\$2,653,194.00	100% CYFD
12-690-00-13616	Gallup-McKinley County Schools	CYFD	ECS - Early Childhood Services	7/1/2011	6/30/2017	\$2,596,352.00	100% CYFD
12-690-00-13836	University of New Mexico	CYFD	ECS - Early Childhood Services	7/1/2011	6/30/2015	\$1,322,856.00	100% CYFD
12-690-00-13850	University of New Mexico	CYFD	ECS - Early Childhood Services	7/1/2011	6/30/2015	\$232,080.00	100% CYFD
12-690-00-13852	City of Albuquerque	CYFD	ECS - Early Childhood Services	7/1/2011	6/30/2015	\$3,295,536.00	100% CYFD
12-690-00-13854	New Mexico State University	CYFD	ECS - Early Childhood Services	7/1/2011	6/30/2015	\$464,160.00	100% CYFD
13-690-00-14804	University of New Mexico	CYFD	ECS - Early Childhood Services	7/1/2012	6/30/2017	\$4,597,740.80	100% CYFD
13-690-00-14805	Administrative Office of the Courts	CYFD	PSD - Protective Services	7/1/2012	6/30/2016	\$1,480,000.00	100% CYFD
13-690-00-14806	New Mexico State University	CYFD	PSD - Protective Services	7/1/2012	6/30/2016	\$701,688.00	100% CYFD
13-690-00-14928	Torrance County	CYFD	PSD - Protective Services	7/1/2012	6/30/2016	\$331,753.00	100% CYFD
13-690-00-14929	Luna County	CYFD	PSD - Protective Services	7/1/2012	6/30/2016	\$604,819.00	100% CYFD
13-690-00-15212	Pueblo of Zuni	CYFD	PSD - Protective Services	7/1/2012	6/30/2016	\$193,029.00	100% CYFD
13-690-00-15244	University of New Mexico	CYFD	ECS - Early Childhood Services	7/1/2012	6/30/2016	\$7,999,490.00	100% CYFD
13-690-00-15528	New Mexico State University	CYFD	PSD - Protective Services	9/24/2012	6/30/2016	\$50,000.00	100% CYFD
13-690-00-15707	Luna County	CYFD	ECS - Early Childhood Services	12/3/2012	6/30/2017	\$2,680,300.00	100% CYFD
13-690-00-15742	Regional Education Cooperative #6	CYFD	ECS - Early Childhood Services	2/1/2013	6/30/2017	\$1,211,260.00	100% CYFD
13-690-00-15784	City of Hobbs	CYFD	ECS - Early Childhood Services	2/11/2013	6/30/2015	\$189,060.00	100% CYFD
14-690-00-15926	University of New Mexico	CYFD	ECS - Early Childhood Services	7/1/2013	6/30/2017	\$2,703,016.00	100% CYFD
14-690-00-15937	Colfax County	CYFD	JJS - Juvenile Justice	7/1/2013	6/30/2017	\$400,000.00	100% CYFD
14-690-00-15938	Torrance County	CYFD	JJS - Juvenile Justice	7/1/2013	6/30/2017	\$412,000.00	100% CYFD
14-690-00-15983	UNM Hospital-Young Children Health Center (YCHC)	CYFD	ECS - Early Childhood Services	7/1/2013	6/30/2017	\$420,000.00	100% CYFD
14-690-00-15992	University of New Mexico	CYFD	ECS - Early Childhood Services	7/1/2013	6/30/2017	\$300,000.00	100% CYFD
14-690-00-15993	University of New Mexico	CYFD	ECS - Early Childhood Services	7/1/2013	6/30/2017	\$4,305,384.00	100% CYFD
14-690-00-15994	Eastern New Mexico University	CYFD	ECS - Early Childhood Services	7/1/2013	6/30/2017	\$1,313,698.00	100% CYFD
14-690-00-15995	University of New Mexico	CYFD	ECS - Early Childhood Services	7/1/2013	6/30/2017	\$3,207,733.39	100% CYFD
14-690-00-15996	Western New Mexico University	CYFD	ECS - Early Childhood Services	7/1/2013	6/30/2017	\$3,752,564.00	100% CYFD
14-690-00-15997	University of New Mexico	CYFD	ECS - Early Childhood Services	7/1/2013	6/30/2017	\$3,088,108.00	100% CYFD
14-690-00-16010	Rio Arriba County	CYFD	ECS - Early Childhood Services	7/1/2013	12/31/2015	\$167,500.00	100% CYFD
14-690-00-16011	San Juan county	CYFD	ECS - Early Childhood Services	7/1/2013	12/31/2015	\$180,000.00	100% CYFD
14-690-00-16330	Rio Arriba County	CYFD	JJS - Juvenile Justice	7/1/2013	12/31/2015	\$125,000.00	100% CYFD
14-690-00-16331	New Mexico State University	CYFD	PSD - Protective Services	7/1/2013	6/30/2016	\$240,000.00	100% CYFD
14-690-00-16416	City of Albuquerque	CYFD	ECS - Early Childhood Services	7/8/2013	6/30/2017	\$3,339,000.00	100% CYFD
14-690-00-16432	Western New Mexico University	CYFD	ECS - Early Childhood Services	7/8/2013	6/30/2017	\$48,000.00	100% CYFD
14-690-00-16444	Santa Fe Community College	CYFD	ECS - Early Childhood Services	7/8/2013	6/30/2017	\$240,000.00	100% CYFD
14-690-00-16576	University of New Mexico	CYFD	ECS - Early Childhood Services	8/27/2013	6/30/2017	\$600,000.00	100% CYFD
14-690-00-16624	University of New Mexico	CYFD	ECS - Early Childhood Services	9/1/2013	6/30/2017	\$979,500.00	100% CYFD
14-690-00-16632	University of New Mexico	CYFD	ECS - Early Childhood Services	9/1/2013	6/30/2017	\$235,000.00	100% CYFD
14-690-00-16636	New Mexico State University	CYFD	ECS - Early Childhood Services	9/1/2013	6/30/2017	\$470,000.00	100% CYFD
14-690-00-16664	University of New Mexico	CYFD	ECS - Early Childhood Services	8/26/2013	6/30/2017	\$210,000.00	100% CYFD
14-690-00-16699	University of New Mexico	CYFD	ECS - Early Childhood Services	9/1/2013	6/30/2017	\$66,000.00	100% CYFD
14-690-00-16700	University of New Mexico	CYFD	ECS - Early Childhood Services	9/1/2013	6/30/2017	\$1,808,237.00	100% CYFD
14-690-00-16755	Region IX Education Cooperative	CYFD	ECS - Early Childhood Services	10/1/2013	9/30/2016	\$443,363.00	100% CYFD
14-690-00-16767	University of New Mexico	CYFD	ECS - Early Childhood Services	10/1/2013	6/30/2017	\$4,557,432.00	100% CYFD
14-690-00-16772	Region IX Education Cooperative	CYFD	ECS - Early Childhood Services	10/7/2013	6/30/2017	\$947,668.00	100% CYFD
14-690-00-16779	New Mexico State University	CYFD	JJS - Juvenile Justice	10/7/2013	6/30/2015	\$19,608.00	100% CYFD
14-690-00-16780	Sandoval County	CYFD	JJS - Juvenile Justice	10/7/2013	12/31/2014	\$35,398.00	100% CYFD
14-690-00-16782	Los Alamos County of	CYFD	JJS - Juvenile Justice	10/7/2013	12/31/2014	\$19,210.00	100% CYFD

STATE OF NEW MEXICO  
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Schedule of Joint Powers Agreements

June 30, 2015

JPA Number (FY, Agency Code, Division Number)	Primary Party Secondary Party	Responsible Party	Description of Services	Beginning Dates of Agreement	Ending Dates of Agreement	Amount Agency Contributed in FY	Audit Responsibility
14-690-00-16783	Curry County	CYFD	JJS - Juvenile Justice	10/7/2013	12/31/2014	\$16,399.00	100% CYFD
14-690-00-16787	Santa Fe Public Schools	CYFD	JJS - Juvenile Justice	10/7/2013	12/31/2014	\$24,960.00	100% CYFD
14-690-00-16840	Region IX Education Cooperative	CYFD	ECS - Early Childhood Services	11/29/2013	6/30/2017	\$100,000.00	100% CYFD
14-690-00-16911	Laguna Pueblo	CYFD	ECS - Early Childhood Services	12/9/2013	6/30/2017	\$207,832.00	100% CYFD
14-690-00-16924	New Mexico State University	CYFD	BHS - Behavioral Health Services	1/1/2014	9/30/2014	\$994,195.00	100% CYFD
14-690-00-16948	New Mexico State University	CYFD	PSD - Protective Services	1/16/2014	6/30/2015	\$27,250.00	100% CYFD
14-690-00-17064	University of New Mexico	CYFD	ECS - Early Childhood Services	3/24/2014	6/30/2017	\$2,497,000.00	100% CYFD
14-690-00-17079	Mckinley County	CYFD	JJS - Juvenile Justice	3/17/2014	12/31/2015	\$145,000.00	100% CYFD
14-690-00-17166	University of New Mexico	CYFD	ECS - Early Childhood Services	3/28/2014	9/30/2016	\$1,508,000.00	100% CYFD
14-690-00-17167	University of New Mexico	CYFD	ECS - Early Childhood Services	3/28/2014	9/30/2016	\$250,000.00	100% CYFD
14-690-00-17168	University of New Mexico	CYFD	ECS - Early Childhood Services	3/28/2014	9/30/2016	\$800,000.00	100% CYFD
14-690-00-17301	Region IX Education Cooperative	CYFD	ECS - Early Childhood Services	4/30/2014	6/30/2017	\$2,624,820.00	100% CYFD
15-690-00-17093	Horizons of New Mexico	CYFD	ITD - Information Technology	7/1/2014	6/30/2015	\$79,001.28	100% CYFD
15-690-00-17232	Horizons of New Mexico	CYFD	ECS - Early Childhood Services	4/30/2014	6/30/2017	\$47,000.00	100% CYFD
15-690-00-17240	City Of Santa Fe	CYFD	JJS - Juvenile Justice	7/1/2014	6/30/2015	\$205,159.00	100% CYFD
15-690-00-17243	City of Socorro	CYFD	JJS - Juvenile Justice	7/1/2014	6/30/2015	\$106,211.00	100% CYFD
15-690-00-17244	Sandoval County	CYFD	JJS - Juvenile Justice	7/1/2014	6/30/2015	\$343,950.00	100% CYFD
15-690-00-17245	City of Raton	CYFD	JJS - Juvenile Justice	7/1/2014	6/30/2015	\$72,000.00	100% CYFD
15-690-00-17246	Rio Arriba County	CYFD	JJS - Juvenile Justice	7/1/2014	6/30/2015	\$189,317.00	100% CYFD
15-690-00-17247	Valencia County	CYFD	JJS - Juvenile Justice	7/1/2014	6/30/2015	\$168,763.00	100% CYFD
15-690-00-17248	Torrance County	CYFD	JJS - Juvenile Justice	7/1/2014	6/30/2015	\$126,881.00	100% CYFD
15-690-00-17249	Luna County	CYFD	JJS - Juvenile Justice	7/1/2014	6/30/2015	\$60,000.00	100% CYFD
15-690-00-17250	Cibola County	CYFD	JJS - Juvenile Justice	7/1/2014	6/30/2015	\$129,339.00	100% CYFD
15-690-00-17251	Bernalillo County	CYFD	JJS - Juvenile Justice	7/1/2014	6/30/2015	\$360,140.00	100% CYFD
15-690-00-17252	City of Las Cruces	CYFD	JJS - Juvenile Justice	7/1/2014	6/30/2015	\$335,950.00	100% CYFD
15-690-00-17253	Chaves County	CYFD	JJS - Juvenile Justice	7/1/2014	6/30/2015	\$244,220.00	100% CYFD
15-690-00-17254	Town of Taos	CYFD	JJS - Juvenile Justice	7/1/2014	6/30/2015	\$133,302.00	100% CYFD
15-690-00-17286	University of New Mexico	CYFD	BHS - Behavioral Health Services	7/1/2014	6/30/2015	\$63,100.00	100% CYFD
15-690-00-17294	Horizons of New Mexico	CYFD	ITD - Information Technology	7/1/2014	6/30/2015	\$67,500.00	100% CYFD
15-690-00-17303	University of New Mexico	CYFD	ECS - Early Childhood Services	7/1/2014	6/30/2015	\$68,750.00	100% CYFD
15-690-00-17315	Horizons of New Mexico	CYFD	JJS - Juvenile Justice	7/1/2014	6/30/2015	\$23,914.82	100% CYFD
15-690-00-17335	Mckinley County	CYFD	JJS - Juvenile Justice	7/1/2014	6/30/2015	\$167,485.00	100% CYFD
15-690-00-17338	Los Alamos County of	CYFD	JJS - Juvenile Justice	7/1/2014	6/30/2015	\$207,415.00	100% CYFD
15-690-00-17339	Lincoln County	CYFD	JJS - Juvenile Justice	7/1/2014	6/30/2015	\$127,205.00	100% CYFD
15-690-00-17340	Lea County	CYFD	JJS - Juvenile Justice	7/1/2014	6/30/2015	\$94,042.00	100% CYFD
15-690-00-17341	Grant County	CYFD	JJS - Juvenile Justice	7/1/2014	6/30/2015	\$69,385.00	100% CYFD
15-690-00-17342	Curry County	CYFD	JJS - Juvenile Justice	7/1/2014	6/30/2015	\$115,441.00	100% CYFD
15-690-00-17359	Eastern New Mexico University - Child Care Training and Assistance Program	CYFD	PSD - Protective Services	7/1/2014	6/30/2017	\$447,927.00	100% CYFD
15-690-00-17362	Western New Mexico University	CYFD	PSD - Protective Services	7/1/2014	6/30/2017	\$391,447.01	100% CYFD
15-690-00-17368	New Mexico State University	CYFD	PSD - Protective Services	7/1/2014	6/30/2017	\$3,296,602.00	100% CYFD
15-690-00-17524	Horizons of New Mexico	CYFD	ECS - Early Childhood Services	7/1/2014	6/30/2015	\$29,794.44	100% CYFD

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Agency Code, Division Number)	(FY, Primary Party Secondary Party	Responsible Party	Description of Services	Beginning Dates of Agreement	Ending Dates of Agreement	Amount Agency Contributed in FY	Audit Responsibility
15-690-00-17682	Western New Mexico University	CYFD	ECS - Early Childhood Services	7/1/2014	6/30/2017	\$720,000.00	100% CYFD
15-690-00-17684	University of New Mexico	CYFD	ECS - Early Childhood Services	7/1/2014	6/30/2017	\$360,000.00	100% CYFD
15-690-00-17685	University of New Mexico	CYFD	ECS - Early Childhood Services	7/1/2014	6/30/2017	\$360,000.00	100% CYFD
15-690-00-17767	New Mexico State University	CYFD	JJS - Juvenile Justice	7/1/2014	6/30/2015	\$16,815.00	100% CYFD
15-690-00-17773	University of New Mexico	CYFD	PSD - Protective Services	7/1/2014	6/30/2015	\$47,500.00	100% CYFD
15-690-00-17774	Horizons of New Mexico	CYFD	PSD - Protective Services	7/1/2014	6/30/2015	\$14,050.62	100% CYFD
15-690-00-17818	UNM Medical Group	CYFD	JJS - Juvenile Justice	7/1/2014	6/30/2019	\$984,550.00	100% CYFD
15-690-00-17830	Las Vegas, City of	CYFD	JJS - Juvenile Justice	7/1/2014	6/30/2015	\$71,721.00	100% CYFD
15-690-00-17831	Navajo Nation	CYFD	PSD - Protective Services	7/1/2014	6/30/2018	\$1,758,108.00	100% CYFD
15-690-00-17832	Pueblo of Zuni	CYFD	PSD - Protective Services	7/1/2014	6/30/2018	\$92,000.00	100% CYFD
15-690-00-17849	New Mexico Highlands University	CYFD	PSD - Protective Services	7/1/2014	6/30/2017	\$5,652,633.00	100% CYFD
15-690-00-17865	UNM Hospital-Young Children Health Center (YCHC)	CYFD	ECS - Early Childhood Services	7/1/2014	6/30/2017	\$162,000.00	100% CYFD
15-690-00-17875	San Juan college - Family Resource Center	CYFD	ECS - Early Childhood Services	7/1/2014	6/30/2018	\$260,000.00	100% CYFD
15-690-00-17876	Western New Mexico University	CYFD	ECS - Early Childhood Services	7/1/2014	6/30/2018	\$185,000.00	100% CYFD
15-690-00-17878	University of New Mexico	CYFD	ECS - Early Childhood Services	7/1/2014	6/30/2018	\$452,000.00	100% CYFD
15-690-00-17932	University of New Mexico	CYFD	ECS - Early Childhood Services	8/18/2014	6/30/2015	\$10,000.00	100% CYFD
15-690-00-17936	Region IX Education Cooperative	CYFD	ECS - Early Childhood Services	7/31/2014	6/30/2015	\$21,336.00	100% CYFD
15-690-00-17937	University of New Mexico	CYFD	ECS - Early Childhood Services	7/31/2014	6/30/2018	\$861,884.00	100% CYFD
15-690-00-17995	UNM Hospital-Young Children Health Center (YCHC)	CYFD	BHS - Behavioral Health Services	9/15/2014	6/30/2015	\$169,220.00	100% CYFD
15-690-00-18009	New Mexico State University	CYFD	BHS - Behavioral Health Services	9/10/2014	9/30/2015	\$1,661,113.11	100% CYFD
15-690-00-18017	University of New Mexico	CYFD	ECS - Early Childhood Services	8/12/2014	12/31/2015	\$399,000.00	100% CYFD
15-690-00-18097	University of New Mexico	CYFD	ECS - Early Childhood Services	10/15/2014	9/30/2016	\$202,320.00	100% CYFD
15-690-00-18101	Region IX Education Cooperative	CYFD	ECS - Early Childhood Services	10/31/2014	6/30/2017	\$3,444,000.00	100% CYFD
15-690-00-18146	Gadsden Independent School District	CYFD	ECS - Early Childhood Services	1/1/2015	9/30/2016	\$710,000.00	100% CYFD
15-690-00-18189	Horizons of New Mexico	CYFD	ECS - Early Childhood Services	12/10/2014	9/30/2015	\$32,331.88	100% HSD
15-690-00-18258	New Mexico State University	CYFD	BHS - Behavioral Health Services	1/22/2015	6/30/2015	\$109,248.00	100% HSD
15-690-00-18267	New Mexico State University	CYFD	BHS - Behavioral Health Services	1/9/2015	9/30/2015	\$730,940.88	100% HSD
15-690-00-18298	University of New Mexico	CYFD	JJS - Juvenile Justice	2/20/2015	9/30/2019	\$586,606.00	100% HSD
15-690-00-18307	Santa Fe Public Schools	CYFD	BHS - Behavioral Health Services	1/30/2015	9/30/2015	\$12,437.95	100% PED
15-690-00-18340	University of New Mexico	CYFD	ECS - Early Childhood Services	2/26/2015	6/30/2017	\$1,502,571.00	100% PED
15-690-00-18356	Rio Arriba County	CYFD	JJS - Juvenile Justice	3/26/2015	9/30/2015	\$13,544.33	100% CYFD
15-690-00-18371	University of New Mexico	CYFD	ECS - Early Childhood Services	3/10/2015	6/30/2015	\$43,295.00	100% CYFD

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JPA Number (FY, Agency Code, Division Number)	Primary Party Secondary Party	Responsible Party	Description of Services	Beginning Dates of Agreement	Ending Dates of Agreement	Amount Agency Contributed in FY	Audit Responsibility
15-690-00-18388	University of New Mexico	CYFD	BHS - Behavioral Health Services	3/17/2015	6/30/2015	\$16,000.00	100% CYFD
15-690-00-18407	Pueblo of Isleta	CYFD	JJS - Juvenile Justice	3/26/2015	3/31/2016	\$20,000.00	100% CYFD
15-630-9000-0004	NM Human Services Department - CYFD	HSD	TANF - Child Care, Home Visiting & Pre-Kindergarten	07/01/14	06/30/15	(38,627,500.00)	100% HSD
15-630-9000-0012	NM Human Services Department - CYFD	HSD	TANF - Keeping Families Together Pilot Program	07/01/14	06/30/15	(174,383.72)	100% HSD
14-630-7903-0010	NM Human Services Department - CYFD	HSD	Community Mental Health Services Block Grant	07/01/13	06/30/16	(420,312.74)	100% HSD
14-630-7903-0006	NM Human Services Department - CYFD	HSD	Domestic Violence	07/01/13	06/30/16	(79,400.00)	100% HSD
95-17	NM Human Services Department - CYFD	HSD	Title XIX Medicaid	08/12/94	Indefinite	(1,538,434.88)	100% HSD
14-924-00230	NM Public Education Department - CYFD	PED	Race to the Top/Early Learning Challenge	01/01/13	12/31/16	(5,849,851.21)	100% PED
N/A	CYFD - Department of Finance and Administration	CYFD	Citizen's Review Board	07/01/93	Indefinite	101,666.46	100% CYFD
11-690-3000-0029	CYFD - NM Aging and Long-Term Services Department	CYFD	Adult Protective Services	05/17/13	06/30/16	2,353,303.41	100% CYFD

**SCHEDULE OF VENDOR INFORMATION for Purchases Exceeding \$60,000 (excluding GRT) - Unaudited**  
**For the Year Ended June 30, 2015**  
**Prepared by Children, Youth and Families Department, Michelle Taylor, RFP Developer on 7/29/2015**

RFB#/RFP#/ Statewide Price Agreement #	Type of Procurement	Awarded Vendor	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Name and Physical Address of ALL Vendor(s) that responded	In-State/Out-of- State Vendor (Y or N) (Based on Statutory Definition)	Was the Vendor in-state and chose Veteran's preference (Y or N)	Brief Description of the Scope of Work
14-690-00-11630	RFP	Advance NM	405,000.00	-	424 N Main St. Suite 100, Las Cruces, NM 88001	Y	N	Provide educational services, child developmental guidance to local communities
14-690-00-11630	RFP	Ben Archer Health Center	270,000.00	-	PO Box 370, Hatch, NM 87937	Y	N	Provide educational services, child developmental guidance to local communities
14-690-00-11630	RFP	First Born Program of Los Alamos City	518,037.00	-	240 El Conejo, Los Alamos, NM 87544	Y	N	Provide educational services, child developmental guidance to local communities
14-690-00-11630	RFP	Guidance Center of Lea County	603,000.00	-	920 W. Broadway, Hobbs, NM 88240	Y	N	Provide educational services, child developmental guidance to local communities
14-690-00-11630	RFP	Kiwanis Club of Las Vegas Community	90,000.00	-	901 6th St., Las Vegas, NM 87701	Y	N	Provide educational services, child developmental guidance to local communities
14-690-00-11630	RFP	La Clinica de Familia	600,000.00	-	385 Calle de AllgeraBig A, Las Cruces, NM 88005	Y	N	Provide educational services, child developmental guidance to local communities
14-690-00-11630	RFP	PB & J Family Services	594,000.00	-	1101 Lopez Rd SW, Albuquerque, NM 87105	Y	N	Provide educational services, child developmental guidance to local communities
14-690-00-11630	RFP	Presbyterian Medical Services	27,000.00	-	1422 Paseo de Peralta, Santa Fe, NM 87501	Y	N	Provide educational services, child developmental guidance to local communities
14-690-00-11630	RFP	Taos Health Systems	720,000.00	-	118 Este Rd. Suite F, Taos, NM 87571	Y	N	Provide educational services, child developmental guidance to local communities
14-690-00-11630	RFP	The Greater Santa Rosa Council on Alcoholism	603,000.00	-	PO Box 392, Tucumcari, NM 88401	Y	N	Provide educational services, child developmental guidance to local communities
14-690-00-11630	RFP	United Way of Santa Fe	345,000.00	-	440 Cerrillos Rd Suite A, Santa Fe, NM 87501	Y	N	Provide educational services, child developmental guidance to local communities
14-690-00-11630	RFP	Youth Development Inc.	300,000.00	-	YDI 901 Pennsylvania NE, Albuquerque, NM 87110	Y	N	Provide educational services, child developmental guidance to local communities
14-690-00-11630	RFP	UNM Hospital-YCHC	162,000.00	-	306 A San Pedro SE, Albuquerque, NM 87108	Y	N	Provide educational services, child developmental guidance to local communities

SCHEDULE OF VENDOR INFORMATION for Purchases Exceeding \$60,000 (excluding GRT) - Unaudited  
For the Year Ended June 30, 2015  
Prepared by Children, Youth and Families Department, Michelle Taylor, RFP Developer on 7/29/2015

RFB#/RFP#/ Statewide Price Agreement #	Type of Procurement	Awarded Vendor	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Name and Physical Address of ALL Vendor(s) that responded	In-State/Out-of- State Vendor (Y or N) (Based on Statutory Definition)	Was the Vendor in-state and chose Veteran's preference (Y or N)	Brief Description of the Scope of Work
14-690-00-11630	RFP	Safe Site	Non Award	-	PO Box 1195, Los Lunas, NM 87031	Y	N	Provide educational services, child developmental guidance to local communities
14-690-00-11630	RFP	Children's World CDC	Non Award	-	2103 E. First Street, Alamogordo, NM 88310	Y	N	Provide educational services, child developmental guidance to local communities
14-690-00-11630	RFP	Aprendamos	Non Award	-	301 Perkins Dr Suite B, Las Cruces, NM 88005	Y	N	Provide educational services, child developmental guidance to local communities
14-690-00-11630	RFP	LifeRoots	Non Award	-	1111 Menaul Blvd NE, Albuquerque, NM 87107	Y	N	Provide educational services, child developmental guidance to local communities
14-690-00-11630	RFP	Discovery CDC	Non Award	-	PO Box 2554, Las Cruces, NM 88004	Y	N	Provide educational services, child developmental guidance to local communities
14-690-00-11630	RFP	Aminstad Milestone LLC	Non Award	-	PO Box 1090, Las Cruces, NM 88004	Y	N	Provide educational services, child developmental guidance to local communities
14-690-00-11550	RFP	Clifton, Larson, Allen LLP	149,298.75	-	500 Marquette Suite 800, Albuquerque, NM 87102	Y	N	FY2015 Financial and Compliance Audit for CYFD
14-690-00-11550	RFP	Moss Adams	Non Award	-	6100 Uptown Blvd NE #400, Albuquerque, NM 87110	Y	N	FY2015 Financial and Compliance Audit for CYFD
14-690-00-11550	RFP	Barraclough & Assoc	Non Award	-	PO Box 1847, Santa Fe, NM 87504	Y	N	FY2015 Financial and Compliance Audit for CYFD
14-690-00-11850	RFP	Supportive Housing Coalition of New Mexico	682,000.00	-	PO Box 27459, Albuquerque, NM 87125	Y	N	Supportive Housing Services
14-690-00-11850	RFP	Supportive Housing Coalition of New Mexico	-	(30,000.00)	PO Box 27459, Albuquerque, NM 87125	Y	N	Supportive Housing Services

SCHEDULE OF VENDOR INFORMATION for Purchases Exceeding \$60,000 (excluding GRT) - Unaudited  
For the Year Ended June 30, 2015  
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RFB#/RFP#/ Statewide Price Agreement #	Type of Procurement	Awarded Vendor	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Name and Physical Address of ALL Vendor(s) that responded	In-State/Out-of- State Vendor (Y or N) (Based on Statutory Definition)	Was the Vendor in-state and chose Veteran's preference (Y or N)	Brief Description of the Scope of Work
50-690-15-11761	RFP	Guidance Center of Lea County	100,000.00	-	920 W. Broadway, Hobbs, NM 88240	Y	N	Independent Living Services
50-690-15-11761	RFP	NM Family Services	Non Award	-	1923 Alvarado Drive NE Suite 7, Albuquerque, NM 87110	Y	N	Independent Living Services
50-690-14-12038	RFP	Youth Development Inc.	632,500.00	-	6301 Central Ave NW, Albuquerque, NM 87105	Y	N	Provide I-HS and TLR Services in Valencia County
50-690-14-12038	RFP	Imperial Services Corp	Non Award	-	2325 San Pedro NE Suite 2-I, Albuquerque, NM 87110	Y	N	Provide I-HS and TLR Services in Valencia County
50-690-14-11858	RFP	Wendee Burnett	241,280.00	-	10024 Rio Grande NW, Albuquerque, NM 87114	Y	N	Provide comprehensive services for JJS Clients
50-690-14-11858	RFP	HCP Systems, LLC	628,600.00	-	2925 Carlisle Blvd NE, Albuquerque, NM 87110	Y	N	Provide comprehensive services for JJS Clients
50-690-14-11858	RFP	New Vision Behavioral Health	611,520.00	-	1515 Golf Course Road Suite 202, Albuquerque, NM 87124	Y	N	Provide comprehensive services for JJS Clients
15-690-40-12058	RFP	First Choice Community Healthcare	67,721.00	-	2011 N Central Familiar SW, Albuquerque, NM 87105	Y	N	Model Demonstration Site
15-690-40-12058	RFP	La Vida Felicidad	64,254.00	-	530 Sun Ranch Village Rd, Los Lunas, NM 87031	Y	N	Model Demonstration Site
15-690-40-12058	RFP	United Way of Santa Fe	120,797.00	-	440 Cerillos Rd Suite A, Santa Fe, NM 87501	Y	N	Model Demonstration Site



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For the Year Ended June 30, 2015  
Prepared by Children, Youth and Families Department, Michelle Taylor, RFP Developer on 7/29/2015

RFB#/RFP#/ Statewide Price Agreement #	Type of Procurement	Awarded Vendor	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Name and Physical Address of ALL Vendor(s) that responded	In-State/Out-of-State Vendor (Y or N) (Based on Statutory Definition)	Was the Vendor in-state and chose Veteran's preference (Y or N)	Brief Description of the Scope of Work
15-690-40-12058	RFP	UNM Apple Tree Education Center	1,502,571.00		MSC01 1247 1 University of New Mexico, Albuquerque, NM 87131	Y	N	Model Demonstration Site
15-690-40-12058	RFP	Las Cumbres Community Services	Non Award		1300 S Broadway, T or C, NM 87901	Y	N	Model Demonstration Site
15-690-40-12058	RFP	Presbyterian Medical Services Santa Fe Community College	Non Award		PO Box 1362, Espanola, NM 87532	Y	N	Model Demonstration Site
15-690-40-12058	RFP	3-D Enterprises	Non Award		PO Box 2267, Santa Fe, NM 87504-2267	Y	N	Model Demonstration Site
15-690-40-12058	RFP	Smiling Faces	Non Award		6401 Richards Ave, Santa Fe, NM 87508	Y	N	Model Demonstration Site
15-690-40-12058	RFP	Ngage NM	Non Award		18 County Road 3451, Flora Vista, NM 87415-0000	Y	N	Model Demonstration Site
15-690-40-12058	RFP	Satellite Tracking of People	328,000.00		2445 Chelwood Park Blvd NE, Albuquerque, NM 87112-1902	Y	N	Model Demonstration Site
50-690-30-11661	RFP	BI Incorporated EMTZ Tracking Systems	Non Award		3880 Foothills Suite A, Las Cruces, NM 88011	Y	N	Model Demonstration Site
50-690-30-11661	RFP	Secure Tracks	Non Award		1212 North Post Oak Rd Suite 100, Houston, TX 77055	N	N	Electronic Monitoring
50-690-30-11661	RFP				3311 Candelaria NE, Suite K, Albuquerque, NM 87107	Y	N	Electronic Monitoring
50-690-30-11661	RFP				PO Box 1831, Taos, NM 87571	Y	N	Electronic Monitoring
50-690-30-11661	RFP				12126 El Sendero St, San Antonio, TX 78233	N	N	Electronic Monitoring

SCHEDULE OF VENDOR INFORMATION for Purchases Exceeding \$60,000 (excluding GRT) - Unaudited  
For the Year Ended June 30, 2015  
Prepared by Children, Youth and Families Department, Michelle Taylor, RFP Developer on 7/29/2015

RFB#/RFP#/ Statewide Price Agreement #	Type of Procurement	Awarded Vendor	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Name and Physical Address of ALL Vendor(s) that responded	In-State/Out-of- State Vendor (Y or N) (Based on Statutory Definition)	Was the Vendor in- state and chose Veteran's preference (Y or N)	Brief Description of the Scope of Work
50-690-30-11661	RFP	Sentinel	Non Award	-	1241 W Warner Rd #12, Tempe, AZ 85284	N	N	Electronic Monitoring
50-690-30-11661	RFP	Recovery Healthcare	Non Award	-	9090 North Stemmons Freeway Suite A, Dallas, TX 75247-3521	N	N	Electronic Monitoring
40-690-15-11531	RFP	Children in Need Of Services (CHINS)	30,000.00	-	5021 24th Street, Alamogordo, NM 88310	Y	N	Children's Trust Fund Innovative Community Based Programs
40-690-15-11531	RFP	Inner Guidance, LC dba Attachment Healing Center	Non Award	-	1025 Hermosa Dr SE, Albuquerque, NM 87108	Y	N	Children's Trust Fund Innovative Community Based Programs
Family Support Services								
40-690-15-11472	RFP	Turquoise Health and Wellness	182,029.00	-	202 E Earl Drive Suite 200, Phoenix, AZ 85012	N	N	Statewide In Home Services and Family Support Services for CYFD
40-690-15-11472	RFP	Taos Health Systems-Kids First	208,480.00	-	1397 Weimer Rd, Taos, NM 87571	Y	N	Statewide In Home Services and Family Support Services for CYFD
40-690-15-11472	RFP	Kids in Need of Supportive Services	Non Award	-	2311 Ranch Club Rd, Silver City, NM 88061	Y	N	Statewide In Home Services and Family Support Services for CYFD
40-690-15-11472	RFP	La Familia- Namaste Guidance	Non Award	-	2400 Wellesley Drive NE, Albuquerque, NM 87107	Y	N	Statewide In Home Services and Family Support Services for CYFD
40-690-15-11472	RFP	Center of Lea County Torrance County	Non Award	-	920 W Broadway, Hobbs, NM 88240	Y	N	Statewide In Home Services and Family Support Services for CYFD
40-690-15-11472	RFP	Counseling	Non Award	-	PO Box 1978, Moriarty, NM 87035			Statewide In Home Services and Family Support Services for CYFD

**SCHEDULE OF VENDOR INFORMATION for Purchases Exceeding \$60,000 (excluding GRT) - Unaudited**  
**For the Year Ended June 30, 2015**  
**Prepared by Children, Youth and Families Department, Michelle Taylor, RFP Developer on 7/29/2015**

RFB#/RFP#/ Statewide Price Agreement #	Type of Procurement	Awarded Vendor	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Name and Physical Address of ALL Vendor(s) that responded	In-State/Out- of-State Vendor (Y or N) (Based on Statutory Definition)	Was the Vendor in- state and chose Veteran's preference (Y or N)	Brief Description of the Scope of Work
40-690-15-11472	RFP	Inner Guidance dba Attachment Center LLC	Non Award		1025 Hermosa Dr SE, - Albuquerque, NM 87108	Y	N	Statewide In Home Services and Family Support Services for CYFD
In Home Services								
40-690-15-11472	RFP	Children in Need of Services	139,723.00		5021 24th Street, - Alamogordo, NM 88310	Y	N	Statewide In Home Services and Family Support Services for CYFD
40-690-15-11472	RFP	Kids in Need of Supportive Services	202,170.00		2311 Ranch Club Rd, - Silver City, NM 88061	Y	N	Statewide In Home Services and Family Support Services for CYFD
40-690-15-11472	RFP	Kids Counseling Inc. Inner Guidance dba	Non Award		2528 Ridge Runner Rd, - Las Vegas, NM 87701	Y	N	Statewide In Home Services and Family Support Services for CYFD
40-690-15-11472	RFP	Attachment Healing Center LLC	Non Award		1025 Hermosa Dr SE, - Albuquerque, NM 87108	Y	N	Statewide In Home Services and Family Support Services for CYFD
40-690-15-11472	RFP	La Familia- Namaste Torrance County	Non Award		2400 Wellesley Drive NE, - Albuquerque, NM 87107	Y	N	Statewide In Home Services and Family Support Services for CYFD
40-690-15-11472	RFP	Counseling Turquoise Health and Wellness	Non Award		PO Box 1978, Moriarty, - NM 87035	Y	N	Statewide In Home Services and Family Support Services for CYFD
40-690-15-11472	RFP		Non Award		202 E Earl Drive Suite - 200, Phoenix, AZ 85012	N	N	Statewide In Home Services and Family Support Services for CYFD
15-690-50-12037	RFP	La Familia Inc.	357,000.00		707 Broadway NE, - Albuquerque, NM 87102	Y	N	Home Study Services
40-690-15-11645	RFP	Guidance Center of Lea County	50,000.00		920 W Broadway, Hobbs, - NM 88240	Y	N	Parent Infant Psychotherapy

**SCHEDULE OF VENDOR INFORMATION for Purchases Exceeding \$60,000 (excluding GRT) - Unaudited  
For the Year Ended June 30, 2015  
Prepared by Children, Youth and Families Department, Michelle Taylor, RFP Developer on 7/29/2015**

RFB#/RFP#/ Statewide Price Agreement #	Type of Procurement	Awarded Vendor	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Name and Physical Address of ALL Vendor(s) that responded	In-State/Out-of- State Vendor (Y or N) (Based on Statutory Definition)	Was the Vendor in-state and chose Veteran's preference (Y or N)	Brief Description of the Scope of Work
40-690-15-11645	RFP	Amistad Family Services Inc.	70,500.00		PO Box 1090, Las Cruces, NM 88004	Y	N	Parent Infant Psychotherapy
40-690-15-11645	RFP	Children in Need of Services	50,000.00		5021 24th Street, Alamogordo, NM 88310	Y	N	Parent Infant Psychotherapy
40-690-15-11645	RFP	Aprendamos Las Cumbres Community Services	15,000.00		301 Perkins Dr Suite B, Las Cruces, NM 88005	Y	N	Parent Infant Psychotherapy
40-690-15-11645	RFP	UNM-Center for Development and Disability	60,000.00		PO Box 1362, Española, NM 87532	Y	N	Parent Infant Psychotherapy
40-690-15-11645	RFP	Kathleen Benecke Amanda Trujillo- Gonzales	93,000.00		PO Box 27200, Albuquerque, NM 87125	Y	N	Parent Infant Psychotherapy
40-690-15-11645	RFP		7,500.00		2891 Plaza Blanca, Santa Fe, NM 87507	Y	N	Parent Infant Psychotherapy
40-690-15-11645	RFP	Early Childhood Mental Health c/o Deborah Harris	7,500.00		PO Box 218, El Rito, NM 87530	Y	N	Parent Infant Psychotherapy
40-690-15-11645	RFP	Samaritan Counseling of Albuquerque	25,000.00		1446 Cerro Gordo Rd, Santa Fe, NM 87501	Y	N	Parent Infant Psychotherapy
40-690-15-11645	RFP	San Juan College	65,000.00		1101 Medical Arts Ave Bldg. 3, Albuquerque, NM 87102	Y	N	Parent Infant Psychotherapy
40-690-15-11645	RFP	Western New Mexico University	50,000.00		4601 College Blvd, Farmington, NM 87402	Y	N	Parent Infant Psychotherapy
30-690-15-11448	RFP	Families and Youth Inc.	180,000.00		PO Box 680, Silver City, NM 88062	Y	N	Parent Infant Psychotherapy
					1720 S. Telshor, Las Cruces, NM 88004	Y	Y	Juvenile Community Corrections Program

SCHEDULE OF VENDOR INFORMATION for Purchases Exceeding \$60,000 (excluding GRT) - Unaudited  
For the Year Ended June 30, 2015  
Prepared by Children, Youth and Families Department, Michelle Taylor, RFP Developer on 7/29/2015

RFB#/RFP#/ Statewide Price Agreement #	Type of Procurement	Awarded Vendor	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Name and Physical Address of ALL Vendor(s) that responded	In-State/Out-of-State Vendor (Y or N) (Based on Statutory Definition)	Was the Vendor in-state and chose Veteran's preference (Y or N)	Brief Description of the Scope of Work
30-690-15-11448	RFP	Turquoise Health and Wellness	180,000.00		202 E Earl Drive Suite - 200, Phoenix, AZ 85012 504 W. 29th Street,	N	N	Juvenile Community Corrections Program
30-690-15-11448	RFP	La Frontera	Non Award		- Tucson, AZ 85713 800 w. Pierce St,	N	N	Juvenile Community Corrections Program
30-690-15-11448	RFP	Golden Services	Non Award		- Carlsbad, NM 88220	Y	N	Juvenile Community Corrections Program
15-690-50-12050	RFP	Heading Home	400,000.00		PO Box 27636, - Albuquerque, NM 87125	Y	Y	Supportive Housing Pilot Program Keeping Families Together
15-690-50-12050	RFP	Heading Home	-	(200,000.00)	PO Box 27636, Albuquerque, NM 87125 1720 S. Telshor, Las	Y	Y	Supportive Housing Pilot Program Keeping Families Together
30-690-15-11448	RFP	Families and Youth Inc.	180,000.00		- Cruces, NM 88004	Y	Y	Juvenile Community Corrections Program
30-690-15-11448	RFP	Turquoise Health and Wellness	180,000.00		202 E Earl Drive Suite - 200, Phoenix, AZ 85012 504 W. 29th Street,	N	N	Juvenile Community Corrections Program
30-690-15-11448	RFP	La Frontera	Non Award		- Tucson, AZ 85713 800 w. Pierce St,	N	N	Juvenile Community Corrections Program
30-690-15-11448	RFP	Golden Services	Non Award		- Carlsbad, NM 88220	Y	N	Juvenile Community Corrections Program
15-690-50-12050	RFP	Heading Home	400,000.00		PO Box 27636, - Albuquerque, NM 87125	Y	Y	Supportive Housing Pilot Program Keeping Families Together
15-690-50-12050	RFP	Heading Home	-	(200,000.00)	PO Box 27636, Albuquerque, NM 87125	Y	Y	Supportive Housing Pilot Program Keeping Families Together

STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT  
SCHEDULE OF SPECIAL APPROPRIATIONS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

The schedule below represents the status of special appropriations made by the New Mexico State Legislature.

Z-Code	Bud Ref	Special Appropriation	Amount Appropriated	Adjusted Budget	Actual Cash Received 6/30/2015	Actual Cash Received Prior Year	Expenditures 6/30/2015	Expenditures Prior Year	Amount to be Reverted	Appropriation Balance as of 06/30/15	Balance for Subsequent Exp. 06/30/16	Program Area	
Z30718	91324/915	Laws of 2013, Chapter 227, Section 7, Item 18 To develop and implement the service management component of the enterprise provider information constituent service system	\$ 3,454,200	\$ -	\$ -	\$ 3,454,200	\$ 2,269,635	\$ 1,171,536	\$ 13,029	\$ -	\$ -	P576- IT	reverts on June 30, 2015
Z30717	91324	Laws of 2013, Chapter 227, Section 7, Item 17  To implement the accounts receivable module of the statewide human resources, accounting and management reporting system.	\$ 355,000	\$ -	\$ -	\$ 305,000	\$ 305,000	\$ -	\$ 50,000	\$ -	\$ -	P578- PS	reverts on June 30, 2015
Z30558	91324	Laws of 2013, Chapter 227, Section 5, Item 58 To provide technical and capacity-building assistance in high-risk home visiting investment zones.	\$ 375,000	\$ -	\$ -	\$ 375,000	\$ (75,966)	\$ 375,000	\$ 75,966	\$ -	\$ -	P782- ECS	reverts on June 30, 2015
Z40566	91424	Laws of 2014, Chapter 63, Section 5, Item 66 For temporary care and housing of animals of victims of domestic violence	\$ 50,000	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -	P578- PS	reverts on June 30, 2015
Z40718	91436	Laws of 2014, Chapter 63, Section 7, Item 18 To implement the statewide human resources, accounting and management assets module. <i>(Revenue has not been collected and no expenditures have been recorded. Authority to spend is pending DoIT certification.)</i>	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000	\$ -	P576- IT	reverts on June 30, 2016
Z32004		Laws of 2013, Chapter 228, Section 2, Item A-3 Tobacco Settlement Program Fund Special Appropriation for Home Visiting Program	\$ 2,000,000	\$ 1,377,169	\$ 243,069	\$ 1,134,100	\$ (66,703)	\$ 1,375,294	\$ 68,578	\$ -	\$ -	P782	reverts on June 30, 2014
<i>*Note \$1,875 reverted in FY 14</i>													
Z80901	915	Laws of 2014, Section 4, DFA Item 5(z) Domestic violence prevention shelter	\$ 79,800	\$ -	\$ 79,800	\$ -	\$ 79,128	\$ -	\$ 672	\$ -	\$ -	P578- PS	reverts on June 30, 2015
Z50545	91524	Laws of 2015, Chapter 101, Section 5, Item 45 For care & support for foster care payments	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	P578- PS	reverts on June 30, 2016
Z50608	915	Laws of 2015, Chapter 101, Section 6, Item 8 For a projected shortfall in the personal services and employee benefits category	\$ 500,000	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ -	P578- PS	reverts on June 30, 2015
Z50721	91536	Laws of 2015, Chapter 101, Section 7, Item 21 To develop and implement the juvenile justice component of the enterprise provider information constituents services system <i>(Revenue has not been collected and no expenditures have been recorded. Authority to spend is pending DoIT certification.)</i>	\$ 2,708,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,708,500	\$ -	P576- IT	reverts on June 30, 2017
Total			\$ 10,672,500	\$ 1,377,169	\$ 1,822,869	\$ 5,318,300	\$ 4,061,094	\$ 2,921,829	\$ 208,246	\$ 2,858,500	\$ -		

**SINGLE AUDIT INFORMATION**

CHILDREN, YOUTH AND FAMILIES DEPARTMENT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended June 30, 2015

Federal Grant / Pass-Through Grantor / Program Title	Federal CFDA Number	Accrued or (Deferred) Revenue at 6/30/2014	15 Federal Revenue	15 Federal Expenditures	Accrued/(Deferred) Revenue at 6/30/2015
U.S. Department of Agriculture Direct Programs					
Child Care Food Program 12	10.558	\$ 80,318	\$ (80,312)	\$ (6)	-
Child Care Food Program 13	10.558	(80,372)	80,372	-	-
Child Care Food Program 14	10.558	2,671,592	(10,316,917)	7,645,155	(170)
Child Care Food Program 15	10.558	-	(22,556,388)	25,452,068	2,895,680
Summer Food Service Program 08	10.559 *	4,328	-	(4,328)	-
Summer Food Service Program 13	10.559 *	(13,108)	13,108	-	-
Summer Food Service Program 14	10.559 *	1,156,308	(3,974,368)	2,818,060	-
Summer Food Service Program 15	10.559 *	-	(2,432,400)	3,559,592	1,127,192
State Administrative Expense 14	10.561	196,642	(535,446)	402,589	63,785
State Administrative Expense 15	10.561	-	(231,922)	358,469	126,547
Subtotal		4,015,708	(40,034,273)	40,231,599	4,213,034
U.S. Department of Agriculture Passed through NM Department of Education					
National School Lunch - YDDC 13-14	10.555 *	25,554	(25,550)	(4)	-
National School Lunch - JPTC 13-14	10.555 *	5,990	(5,989)	(1)	-
National School Lunch - LPYC 13-14	10.555 *	3,073	(1,811)	(1,262)	-
National School Lunch - YDDC 14-15	10.555 *	-	(142,599)	155,695	13,096
National School Lunch - JPTC 14-15	10.555 *	-	(66,955)	74,676	7,721
National School Lunch - LPYC 14-15	10.555 *	-	(18,233)	18,233	-
National School Lunch - CN 14-15	10.555 *	-	(132,012)	142,487	10,475
Subtotal		34,617	(393,149)	389,824	31,292
<b>Total Department of Agriculture</b>		<b>4,050,325</b>	<b>(40,427,422)</b>	<b>40,621,423</b>	<b>4,244,326</b>

\* These programs are part of the Child Nutrition Cluster

U.S. Department of Health and Human Services Direct Programs					
Children's Justice FY12	93.643	81,756	(88,791)	7,035	-
Children's Justice FY13	93.643	-	(26,134)	134,568	108,434
Children's Justice FY14	93.643	-	-	-	-
Headstart Collaboration Grant 13	93.600	54,744	(54,744)	-	-
Headstart Collaboration Grant 14	93.600	-	(73,197)	117,017	43,820
Child Care Developmental Funds Grant 09 - ARRA	93.713	(90,182)	90,182	-	-
Child Care Developmental Funds Grant 13	93.596	3,576,227	(16,914,735)	13,339,027	519
Child Care Developmental Funds Grant 14	93.596	6,368,465	(12,709,489)	6,891,026	550,002
Child Care Developmental Funds Grant 15	93.596	-	(5,422,212)	13,381,357	7,959,145
Family Preservation and Family Support 13	93.556	873,497	(1,871,498)	991,989	(6,012)
Family Preservation and Family Support 14	93.556	-	(1,158,576)	2,394,225	1,235,649
Family Preservation and Family Support 15	93.556	-	-	-	-



CHILDREN, YOUTH AND FAMILIES DEPARTMENT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended June 30, 2015

Schedule 36

Federal Grant / Pass-Through Grantor / Program Title	Federal CFDA Number	Accrued or (Deferred) Revenue at 6/30/2014	15 Federal Revenue	15 Federal Expenditures	Accrued/(Deferred) Revenue at 6/30/2015
Promoting Safe and Stable Families (caseworker visits) 13	93.556	63,809	(85,618)	21,809	-
Promoting Safe and Stable Families (caseworker visits) 14	93.556	-	(90,924)	153,453	62,529
Promoting Safe and Stable Families (caseworker visits) 15	93.556	-	-	-	-
Child Abuse and Neglect (CAN) Part I 11	93.669	121,512	(188,047)	66,535	-
Child Abuse and Neglect (CAN) Part I 12	93.669	-	(36,444)	81,447	45,003
Child Abuse and Neglect (CAN) Part I 13	93.669	-	-	-	-
Child Abuse and Neglect (CAN) Part I 14	93.669	-	-	-	-
Child Abuse and Neglect (CAN) Part I 15	93.669	-	-	-	-
CAPTA-Community Based Family Resource Program 12	93.590	180,709	(210,414)	29,705	-
CAPTA-Community Based Family Resource Program 13	93.590	-	(39,982)	195,723	155,741
CAPTA-Community Based Family Resource Program 14	93.590	-	-	-	-
Title IV-E Foster Care 03	93.658	1,346,560	-	-	1,346,560
Title IV-E Foster Care 04	93.658	51,145	-	-	51,145
Title IV-E Foster Care 10	93.658	(361)	-	-	(361)
Title IV-E Foster Care 11 ARRA1	93.658	(309)	-	-	(309)
Title IV-E Foster Care 13	93.658	1,011,154	-	-	1,011,154
Title IV-E Foster Care 14	93.658	2,611,467	(6,158,861)	3,547,394	-
Title IV-E Foster Care 15	93.658	-	(13,323,820)	16,373,407	3,049,587
Title IV-E Adoptions 03	93.659	(154,318)	-	-	(154,318)
Title IV-E Adoptions 04	93.659	(81,474)	-	-	(81,474)
Title IV-E Adoptions 05	93.659	139,040	-	-	139,040
Title IV-E Adoptions 08	93.659	2,135	-	-	2,135
Title IV-E Adoptions 09 ARRA	93.659	103	-	-	103
Title IV-E Adoptions 11	93.659	(279,184)	-	-	(279,184)
Title IV-E Adoptions 13	93.659	103,769	-	-	103,769
Title IV-E Adoptions 14	93.659	1,383,866	(4,714,836)	3,330,970	-
Title IV-E Adoptions 15	93.659	-	(14,529,889)	16,102,593	1,572,704
Title IV-B CWS 14	93.645	391,469	(778,339)	386,870	-
Title IV-B CWS 15	93.645	-	(1,055,018)	1,134,350	79,332
Chafee Foster Care Independence Program 11	93.674	(297)	297	-	-
Chafee Foster Care Independence Program 13	93.674	149,594	(396,004)	246,069	(341)
Chafee Foster Care Independence Program 14	93.674	-	(310,777)	467,791	157,014
Chafee Foster Care Independence Program 15	93.674	-	-	-	-
Education and Training Voucher Program 12	93.599	1	-	(1)	-
Education and Training Voucher Program 13	93.599	21,804	(54,731)	32,927	-
Education and Training Voucher Program 14	93.599	-	(117,515)	142,765	25,250
Education and Training Voucher Program 15	93.599	-	-	-	-
Family Violence Prevention 13	93.671	22,255	(889,650)	867,396	1
Family Violence Prevention 14	93.671	-	(6,984)	68,460	61,476
Title XX SOSR 14	93.667	707,016	(4,020,069)	3,313,053	-
Title XX SOSR 15	93.667	-	(7,674,536)	8,960,324	1,285,788
Adoption Incentive Payment Program 12	93.557	52,228	(95,574)	43,346	-
Access & Visitation Program 12	93.597	1	-	(1)	-
Access & Visitation Program 13	93.597	31,826	(35,671)	3,845	-
Access & Visitation Program 14	93.597	-	(56,399)	97,687	41,288
Access & Visitation Program 15	93.597	-	-	-	-

CHILDREN, YOUTH AND FAMILIES DEPARTMENT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended June 30, 2015

Schedule 36

Federal Grant / Pass-Through Grantor / Program Title	Federal CFDA Number	Accrued or (Deferred) Revenue at 6/30/2014	15 Federal Revenue	15 Federal Expenditures	Accrued/(Deferred) Revenue at 6/30/2015
Families and Organizations Collaborating for a United System (FOCUS yr 5)	93.104	331,283	(762,901)	400,431	(31,187)
Families and Organizations Collaborating for a United System (FOCUS )	93.104	-	(233,893)	665,143	431,250
NM Communities of Care Expansion Grant	93.104	-	-	169,023	169,023
Healthy Transitions New Mexico	93.243	-	(38,664)	380,513	341,849
SAMHSA Treatment Drug Courts - NM SOAR (Year 1)	93.243	-	-	76,335	76,335
Behavioral Health System Transformation Grant (carryover year 4)	93.243	97,607	-	-	97,607
Behavioral Health System Transformation Grant (year 5)	93.243	303,450	-	-	303,450
Diligent Recruitment Grant (Adoption Opportunities) '14	93.652	121,863	(279,887)	158,024	-
Diligent Recruitment Grant (Adoption Opportunities) '15	93.652	-	(170,282)	297,058	126,776
Federal Home Visiting Competitive 2012 (year 2)	93.505	770,365	(1,009,532)	239,167	-
Federal Home Visiting Competitive 2013 (year 1)	93.505	-	(501,637)	1,428,900	927,263
Federal Home Visiting Competitive 2013 (year 2)	93.505	-	-	402,838	402,838
Federal Home Visiting Formula 2011 (year 1)	93.505	(27,701)	27,701	-	-
Federal Home Visiting Formula 2012 (year 2)	93.505	524,321	(856,234)	331,913	-
Federal Home Visiting Formula 2013 (year 1)	93.505	-	(479,523)	985,523	506,000
Subtotal		<u>20,861,215</u>	<u>(97,403,851)</u>	<u>98,459,029</u>	<u>21,916,393</u>
U.S. Department of Health and Human Services Passed Through NM Human Services Department					
Child Care Development Funds (TANF) 14	93.596	2,273,125	(9,905,000)	7,631,875	-
Child Care Development Funds (TANF) 15	93.596	-	(20,351,667)	22,895,625	2,543,958
Supportive Housing TANF 15	93.558	-	(28,653)	174,384	145,731
Pre-K TANF 14	93.558	692,833	(692,833)	-	-
Pre-K TANF 15	93.558	-	(5,591,667)	6,100,000	508,333
Homevisiting TANF 14	93.558	241,194	(241,194)	-	-
Homevisiting TANF 15	93.558	-	(1,833,333)	2,000,000	166,667
Subtotal		<u>3,207,152</u>	<u>(38,644,347)</u>	<u>38,801,884</u>	<u>3,364,689</u>
Total Department of Health and Human Services		<u>24,068,367</u>	<u>(136,048,198)</u>	<u>137,260,913</u>	<u>25,281,082</u>
U.S. Department of Justice Direct Programs					
Juvenile Accountability Incentive Block Grant 11	16.523	(26,012)	20	25,992	-
Juvenile Accountability Incentive Block Grant 12	16.523	(218,891)	-	201,981	(16,910)
Juvenile Accountability Incentive Block Grant 13	16.523	-	(168,498)	-	(168,498)
JJDP Formula Grant 11	16.540	(1)	-	1	-
JJDP Formula Grant 12	16.540	240,251	(246,821)	6,570	-
JJDP Formula Grant 13 -Year 1	16.540	-	(76,741)	112,473	35,732
JJDP Formula Grant 14 - Year 2	16.540	-	-	-	-
JJDP - Title V 10	16.540	-	(61,009)	61,009	-
JJDP - Title V 11	16.540	-	(50,000)	50,000	-
Enforcing the Underage Drinking Laws Block Grant 08	16.727	(1,067)	-	-	(1,067)

CHILDREN, YOUTH AND FAMILIES DEPARTMENT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended June 30, 2015

Schedule 36

Federal Grant / Pass-Through Grantor / Program Title	Federal CFDA Number	Accrued or (Deferred) Revenue at 6/30/2014	15 Federal Revenue	15 Federal Expenditures	Accrued/(Deferred) Revenue at 6/30/2015
Enforcing the Underage Drinking Laws Block Grant 11	16.727	65,104	(260,827)	212,658	16,935
NM Prison Rape Elimination Act (PREA) 14	16.735	-	-	-	-
Juvenile Mental Health Co-Occurring Disorder 12	16.745	34,072	(86,869)	70,735	17,938
Total Department of Justice		93,456	(950,745)	741,419	(115,870)
U.S. Department of Education Passed through NM Department of Education					
Race To The Top Early Learning Challenge Grant	84.412A	2,306,305	(6,097,090)	7,225,598	3,434,813
Title I 08	84.013	87,252	-	-	87,252
Title I 09	84.013	85,649	-	-	85,649
Title I 10	84.013	46,993	-	-	46,993
Title I 11	84.013	5,189	-	-	5,189
Title I 12	84.013	8,867	-	-	8,867
Title II 11	84.unknown	1,150	-	-	1,150
Special Ed Idea B 07	84.unknown	309,278	-	-	309,278
Special Ed Idea B 08	84.unknown	(30,489)	-	-	(30,489)
Special Ed Idea B 09	84.unknown	10,949	-	-	10,949
Special Ed Idea B 10	84.unknown	48,536	-	-	48,536
Special Ed Idea B 11	84.unknown	42,544	-	-	42,544
Carl Perkins 10	84.unknown	4,961	-	-	4,961
Carl Perkins 14	84.unknown	-	-	-	-
Teacher Mentoring Program FY10	84.unknown	350	-	-	350
State Directed Activity Allocation FY11	84.unknown	(585)	-	-	(585)
Subtotal		2,926,949	(6,097,090)	7,225,598	4,055,457
Total Department of Education		2,926,949	(6,097,090)	7,225,598	4,055,457
TOTAL FEDERAL FINANCIAL ASSISTANCE		\$ 31,139,097	\$ (183,523,455)	\$ 185,849,353	\$ 33,464,995

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**Notes to Schedule of Expenditures of Federal Awards**

**Year Ended June 30, 2015**

**Note A. Significant Accounting Policies**

The accompanying schedule of expenditures of federal awards is prepared on modified accrual basis of accounting, which is described in Note 2.E. to the Department's financial statements.

Federal grant revenues collected in advance of the period they are intended to finance expenditures are recorded as due to federal government. Debit balances in federal revenue represent payments made to the federal awarding agency. Credit balances in federal expenditures represent correction to federal revenue.

The Department did not receive any non-cash assistance, loan guarantees or insurance from federal services during the current fiscal year.

**Note B. Reconciliation to Governmental Funds Financial Statements**

The Department receives federal revenue under case management and other contracts in which it has a vendor relationship. These amounts are excluded from the schedule of expenditures of federal awards.

Federal revenue earned per Exhibit 5	\$ 187,814,424
Less: Federal revenue earned through vendor relationship	(1,965,071)
Less: Federal revenue recognized in prior year	-
Total FY15 federal expenditures per schedule	<u>\$ 185,849,353</u>

STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

Notes to Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2015

**Note C. Funds Passed through to Subrecipients**

<u>CFDA Federal Program Title</u>	<u>Grantor</u>	<u>CFDA #</u>	<u>YTD EXP</u>
Federal expenditures include funds passed through to subrecipients as follows:			
Child and Adult Care Food Program	U.S. Department of Agriculture	10.558	\$ 35,182,263.29
Summer Food Program	U.S. Department of Agriculture	10.559	7,119,299.35
Juvenile Accountability Block Grant	U.S. Department of Justice	16.523	216,889.84
JJDP Formula Grant	U.S. Department of Justice	16.540	47,338.60
Title V	U.S. Department of Justice	16.540	111,008.93
Enforcing the Underage Drinking Laws Block Grant	U.S. Department of Justice	16.727	210,257.72
Juvenile Mental Health Co-Occurring Disorder	U.S. Department of Justice	16.745	62,201.06
Race to the Top Early Learning Challenge (Pass Thru PED)	U.S. Department of Education	84.412A	5,932,711.99
Families and Organizations Collaborating for a United System (FOCUS)	U.S. Department of Health and Human Services	93.104	1,050,192.76
NM Communities of Care Expansion Grant	U.S. Department of Health and Human Services	93.104	163,470.09
Healthy Transitions New Mexico	U.S. Department of Health and Human Services	93.243	309,823.90
SAMHSA Treatment Drug Courts - NM SOAR	U.S. Department of Health and Human Services	93.243	74,934.59
Federal Home Visiting	U.S. Department of Health and Human Services	93.505	2,963,910.89
Promoting Safe and Stable Families Family Preservation	U.S. Department of Health and Human Services	93.556	2,062,588.68
Promoting Safe and Stable Families - Caseworker Visits	U.S. Department of Health and Human Services	93.556	166,794.23
TANF Keeping Families Together (Pass Thru HSD)	U.S. Department of Health and Human Services	93.558	174,383.72
CAPTA-Community Based Family Resource Program	U.S. Department of Health and Human Services	93.590	169,920.33
Child Care and Development Block Grant	U.S. Department of Health and Human Services	93.596	3,507,974.97
Access & Visitation Program	U.S. Department of Health and Human Services	93.597	100,000.00
Managed Mental Health Block Grant (Pass Thru HSD)	NM Human Services Department	93.598	415,700.97
Education and Training Voucher Program	U.S. Department of Health and Human Services	93.599	155,111.83
Head start Collaboration Grant	U.S. Department of Health and Human Services	93.600	22,332.10
Adoption Incentive Payment Program	U.S. Department of Health and Human Services	93.603	909.50
Children's Justice	U.S. Department of Health and Human Services	93.643	130,326.07
Diligent Recruitment Grant	U.S. Department of Health and Human Services	93.652	455,082.13
Title IV-E Foster Care	U.S. Department of Health and Human Services	93.658	2,866,234.97
Title XX SSBG	U.S. Department of Health and Human Services	93.667	382,001.45
Child Abuse and Neglect (CAN) Part I	U.S. Department of Health and Human Services	93.669	80,000.00
Family Violence Prevention	U.S. Department of Health and Human Services	93.671	929,764.00
Chafee Independent Living	U.S. Department of Health and Human Services	93.674	202,218.17
Total			<u>\$ 65,265,646.13</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

Monique Jacobson, Secretary  
NM Children, Youth and Families Department  
and Mr. Timothy Keller, New Mexico State Auditor  
Santa Fe, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund of the NM Children, Youth and Families Department (the Department), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements, and the combining and individual funds and related budgetary comparison of the Department presented as supplementary information, and have issued our report thereon dated November 23, 2015.

### Internal Control Over Financial Reporting

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those 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.

### **Compliance and Other Matters**

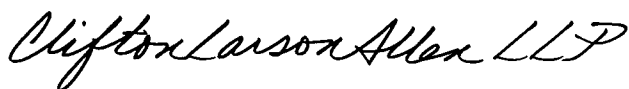
As part of obtaining reasonable assurance about whether the Department's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 2008-002, 2012-001, 2014-001, and 2015-001.

### **The Department's Response to Findings**

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

### **Purpose of this Report**

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



**CliftonLarsonAllen LLP**

Albuquerque, New Mexico  
November 23, 2015



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## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE WITH OMB CIRCULAR A-133

Monique Jacobson, Secretary  
NM Children, Youth and Families Department  
and Mr. Timothy Keller, New Mexico State Auditor  
Santa Fe, New Mexico

### **Report on Compliance for Each Major Federal Program**

We have audited NM Children, Youth and Families Department's (the Department) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Department's major federal programs for the year ended June 30, 2015. NM Children, Youth and Families Department's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

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

### ***Auditors' Responsibility***

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

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

### ***Opinion on Each Major Federal Program***

In our opinion, the Department complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 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 item 2015-005, 2015-002, 2015-003, and 2015-004. Our opinion on each major federal program is not modified with respect to these matters.

The Department's response to the noncompliance findings identified in our audit are described in the accompanying Schedule of Finding and Questioned Costs. The Department's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2015-005, 2015-002, 2015-003 and 2015-004 that we consider to be a significant deficiency.

The Department's response to the internal control over compliance findings identified in our audit is described in the accompanying Schedule of Findings and Quested Costs. The Department's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

NM Children, Youth and Families Department  
and New Mexico State Auditor

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*

**CliftonLarsonAllen LLP**

Albuquerque, New Mexico  
November 23, 2015

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**Schedule of Findings and Questioned Costs**

**Year Ended June 30, 2015**

**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?  yes  no

**Federal Awards**

Internal control over major programs:

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

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

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

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
93.505	ACA – Home Visiting
93.556	Promoting Safe and Stable Families
93.558	TANF – Home Visiting, Pre-K, Supportive Services
93.596	Child Care Development Funds
93.658	Title IV – E Foster Care Entitlement
93.659	Title IV-E Adoptions Entitlement

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  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

Schedule of Findings and Questioned Costs

Year Ended June 30, 2015

**FINDINGS – FINANCIAL STATEMENT AUDIT**

**2008-002 Capital Assets (Deficiency in Internal Control and Non Compliance with NM State Audit Rule) – Repeated and Modified**

**Condition:** During testwork over capital assets, we noted the following:

- 4 out of 19 capital asset disposals in which a letter to the NM Office of the State Auditor could not be found (NMAC 2.2.2.10)
- Depreciation calculations under the Department's composite method were not calculating accurately and their internal spreadsheet did not identify the error. The Department's calculation resulted in incorrect current year depreciation expense of approximately \$103,000, which has been adjusted at the government-wide level.

***Management's Progress for Repeat Finding 2008-002:***

CYFD has worked diligently to communicate more effectively between the ASD Agency Capital Asset Administrator and the implemented Division Capital Asset Coordinators to maintain better accountability of all assets within the agency. Providing quarterly verifiable capital asset physical inventory counts is allowing the Agency Capital Asset Administrator to be able to reconcile the agency capital asset spreadsheet to the actual verifiable counts done by the field staff on a quarterly basis. These steps have allowed the Agency Capital Asset Administrator to catch and verify if all documentation has been submitted correctly on any item that is still listed on the spreadsheet but no longer on hand in the inventory.

**Criteria:** In accordance with NMAC 2.2.2.10, the Department is required to provide notification to the NM Office of the State Auditor 30 days prior to asset disposition. Additionally, in accordance with DFA's Manual of Model Account Practices 2010 (MAPs), FIN 6.2 Asset Depreciation, depreciation of assets should be recorded in compliance with generally accepted accounting practices. Although the composite method is acceptable, it is not the ideal method of depreciation calculation under generally accepted accounting practices.

**Effect:** Non-compliance with the NM Statutes and depreciation calculations that are not fairly stated.

**Cause:** Employee turnover within the role of capital asset coordinator.

**Recommendation:** We recommend the Department remind its employees of the NM Statute regarding asset disposal and maintain records of asset disposition. Additionally, we recommend the Department modify its depreciation calculation to the straight-line method, which is more acceptable under generally accepted accounting practices.

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**Schedule of Findings and Questioned Costs**

**Year Ended June 30, 2015**

**FINDINGS – FINANCIAL STATEMENT AUDIT (CONTINUED)**

**2008-002 Capital Assets (Deficiency in Internal Control and Non Compliance with NM State Audit Rule) – Repeated and Modified (Continued)**

**Management's Response:**

Management concurs with the finding regarding Capital Assets. The Department continues to develop and implement controls related to the management, tracking and reporting of Capital Assets. Although, this process may continue to identify issues of non-compliance conducted in past fiscal years, as was the case for one out of the four unauthorized dispositions listed above.

The Department had a vacant Agency Capital Asset Administrator position at the start of the fiscal year 2015, and did not fill the position until mid-November 2014. Our new Agency Capital Asset Administrator immediately started working on addressing the capital asset deficiencies by implementing standardized forms for uniformity and has started quarterly trainings and email reminders to all capital asset coordinators. The department has started conducting physical inventory counts at certain locations and has developed a schedule to do a physical inventory of all other areas of the agency. The quarterly certification forms have also been revised to make it easier for tracking and communication with field coordinators.

The Department has updated the disposition forms to include listing capital assets, inventory exempt, or magnetic or storage device making it easier to identify what items are being requested for disposition. All dispositions will be sent to Agency Capital Asset Administrator for final determination and validate that all documents have been submitted to proper agencies such as the NM Office of the State Auditor if necessary.

The Agency Asset Coordinator will provide quarterly training with all asset coordinators and provide email updates and reminders of any additional changes or requirements that may be required. The department is anticipating the SHARE Capital Asset Module will be implemented in fiscal year 2016, therefore, moving the capital asset depreciation calculation method from a composition group method to individual straight line asset method. The Administrative Services Division Management Team, Financial Information Systems Support (FISS) staff, Agency Asset Coordinator, and Financial Management Bureau Chief will all be working on implementing the SHARE Capital Asset Module.

STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

Schedule of Findings and Questioned Costs

Year Ended June 30, 2015

**FINDINGS – FINANCIAL STATEMENT AUDIT (CONTINUED)**

**2012-001 Use of State Issued Gas Credit Cards (Non Compliance with NM State Audit Rule) – Repeated and Modified**

**Condition:** During our testwork over gas cards, we identified the following:

- 10 of the 24 transactions selected for testwork could not be supported with a receipt.
  - Of these, six had multiple transactions in a 24 hour period, totaling \$135.74
- Of the fiscal year end total WEX fuel card expenses in the amount of \$549,624, a fuel type other than regular unleaded was purchased, which amount to \$10,575.60
- Oil changes – two instances in which an oil change was purchased. These were on two difference cards for a total of \$155.47
- Car washes - five different cards/cars with three car washes in a given month

*Management's Progress for Repeat Finding 2012-001*

The CYFD Agency Vehicle Coordinator has worked closely with each vehicle liaison throughout the year sending out email reminders to submit all vehicle receipts with their monthly reporting to the Vehicle Coordinator. The monthly reporting has helped the vehicle coordinator to investigate non fuel transactions but the agency still continues to not receive all WEX transaction receipts from field offices.

**Criteria:** The Department's Policies and Procedures #3.26, in accordance with New Mexico Administrative Code 1.5.3 NMSA 1978, identifies the following:

- 26.129: The Vehicle Coordinator review the monthly WEX Fuel Card account statement and exception report to ensure all transactions are authorized.
- 26.101: Card holders may only purchase regular unleaded or alternative fuels only.
- 26.101: Total of \$25 per Transaction for car wash, twice a month. Oil changes are not allowed

**Effect:** Non-compliance with NM Statutes and Department policies and procedures.

**Cause:** Lack of adherence to the Department policies and procedures by Department employees who use the WEX fuel cards.

**Recommendation:** We recommend the Department remind its employees of its policies and procedures pertaining to WEX fuel card usage. We did review documentation from the Vehicle Coordinator reminding employees about the allowable fuel types, but this was after the transactions took place.

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**Schedule of Findings and Questioned Costs**

**Year Ended June 30, 2015**

**FINDINGS – FINANCIAL STATEMENT AUDIT (CONTINUED)**

**2012-001 Use of State Issued Gas Credit Cards (Non Compliance with NM State Audit Rule) – Repeated and Modified (Continued)**

**Management's Response:**

Management concurs with the finding regarding the usage of state issued gas card receipt accountability. The Department diligently continues to notify the CYFD vehicle liaisons and CYFD employees authorized to drive a state vehicle they are not to purchase Super Unleaded or Premium Fuels when filling up a state vehicle per statutory and departmental policy requirements.

The Department has worked diligently to communicate more effectively in the past year with all vehicle liaisons. The Department continuously notifies CYFD vehicle liaisons that they are responsible to ensure discrepancies, unauthorized, or unsupported non-fuel transactions on the WEX Fuel Card transactions will have written supporting documentation from the user or authorized driver, which will reported monthly to the CYFD Agency Vehicle Coordinator.

Starting August 2015, the CYFD Agency Vehicle Coordinator with the Financial Management Bureau Chief require the CYFD vehicle liaisons, for all field offices throughout the state, submit and certify by signature documentation monthly to the central office a verification that all receipts are included and that only "regular unleaded fuel" was purchased. If for any reason a fuel receipt reflects anything other than regular unleaded fuel, drivers will submit a letter to their CYFD vehicle liaison stating the error and that the least expensive fuel was purchased. If a driver fails to get a receipt, the driver will submit an affidavit to their liaison indicating that a receipt was never submitted.

The CYFD Agency Vehicle Coordinator will provide quarterly training to all CYFD Vehicle Liaisons starting in November 2015, and will continue to send out quarterly reminders of what is and what is not allowed with the WEX Gas Card.

Additionally, Administrative Services Management, CYFD Agency Vehicle Coordinator, Financial Management Bureau, and CYFD Human Resources staff, are in the process of revising the CYFD Vehicle Use Policies and Procedures, to be completed on or before June 30, 2016, and disseminated to all CYFD Employees.

STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

Schedule of Findings and Questioned Costs

Year Ended June 30, 2015

**FINDINGS – FINANCIAL STATEMENT AUDIT (CONTINUED)**

**2014-001 Personnel Files (Non Compliance with NM State Audit Rule)**

**Condition:** During our testwork over personnel files, there was 1 out of 22 files tested in which the employee's position is not covered by the Social Security Administration, but the employee did not sign the IRS form 1945.

*Management's Progress for Repeat Finding 2014-001:*

Regarding the agency's progress about the corrective action plan identified in the prior year response, no further action can be taken on the first prior year finding that was a result of a keying error made by an employee who no longer works for the agency. The second prior year finding involved an employee who did not receive his authorized pay rate increase because Human Resources did not receive this employee's evaluation in a timely manner from the supervisor. In order to prevent this from occurring in the future, the agency continues to generate regular reports (at least quarterly) listing evaluations that are overdue and contacting managers to remind them to complete the evaluations.

**Criteria:** In accordance with the NM State Audit Rule – 2.2.2.10 H. (2)(c) – positions that are not covered by the Social Security Administration are required to have employees sign a statement that they are aware of the possible reduction in the future Social Security benefit. Refer to [www.socialsecurity.gov/form1945](http://www.socialsecurity.gov/form1945) for more information.

**Effect:** Non-compliance with the NM State Audit Rule.

**Cause:** Although Department's new hire orientation process provides applicable employees with this information, they do not, currently, have a process in place to ensure the respective employees sign the form 1945.

**Recommendation:** We recommend the Department enhance their new hire orientation process to ensure applicable employees sign the Form 1945 and maintain the signed form in the employee's personnel file.

**Management's Response:**

CYFD management concurs with the finding regarding the internal control over personnel files –non-compliance with the NM State Audit Rule. When the agency became aware that affected employees were not being required to sign Social Security Form 1945, the Juvenile Justice Services (JJS) Facility staff were given the Form SSA-1945 (Statement Concerning Your Employment in a Job Not Covered by Social Security) by the CYFD Human Resources staff to sign. The signed forms were subsequently filed in each employee's personnel file by the CYFD Human Resources staff.

In addition, this form is now being included in the agency's New Employee Orientation packets given to each hiring manager for every new hire with the instructions that the new JJS Facility staff complete the form and return to Human Resources. Each completed form is then filed in the appropriate personnel file along with all other newly signed forms.



**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**Schedule of Findings and Questioned Costs**

**Year Ended June 30, 2015**

**FINDINGS – FINANCIAL STATEMENT AUDIT (CONTINUED)**

**2015-001      Network Access (Compliance and Other Matters)**

**Condition:** During the internal control testwork over user access as it relates to the IT environment, we noted that 3 out of 25 employees tested did not have their access disabled after they were terminated. The 3 users had termination paperwork provided to IT, but the access was never deleted.

**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.

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

**Management's Response:**

Two processes exist to ensure computer accounts are disabled after employees are terminated:

- 1) A manager or supervisor is required to submit an electronic form called the "CYFD System Access Request" requesting an end-user account be removed upon termination.
- 2) CYFD Human Resources provides the Service Desk a monthly Loss/Gain report showing a list of employees who have left the Agency. The Service Desk uses this report to disable accounts that have not been requested they be removed.

The CYFD Chief Information Officer (CIO) will notify CYFD managers and supervisors that they are required to submit the "CYFD System Access Request" form. Additionally, ITD will conduct a periodic reconciliation review to verify that the users on the System Access Request Forms" on file for a given period have been disabled on CYFD systems.

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Schedule of Findings and Questioned Costs

Year Ended June 30, 2015

**FEDERAL FINDINGS**

**2015-005 (Originally 2012-003) Special Provisions (Significant Deficiency/Non Compliance) – Repeated and Modified**

**Federal Program:** CFDA # 93.596 – Child Care and Development Fund  
CFDA 93.658 Foster Care – IV E

**Federal Agency:** US Department of Health and Human Services for both

**Federal Award No:** G-1401NMCCDF/G-1501 NMCCDF  
1401NMFOST/1501NMFOST

**Questioned Costs:** \$94,000

**Condition:**

**CFDA 93.596:** During testwork over the Special Provisions related to Health and Safety requirements, we noted 15 out of 40 files tested where the Department did not completely perform the necessary survey of the provider to ensure the provider met the specified Health and Safety requirements outlined in the Child Care Development Fund Plan. In these instances, a survey was performed; however, certain required checks were not completed (water heater check, for example.)

**CFDA 93.658:** During the special provisions testwork over various foster care rates and payment types, we noted the following matters, out of \$10.5 million of transactions analyzed:

- Approximately \$9,000 were for payment amounts that were not for the correct rate in accordance with the age of the child so the providers were not properly paid. The Department is working with the Federal oversight agency to remit back payments to these providers.
- The Department exceed their annual clothing allotment of by almost \$7,000
- The Department approved payments for services types amount to approximately \$87,000 that are not identified in the Program Plan reported to the federal agency – Administration for Children and Families (ACF.)

***Management's Progress for Repeat Finding 2015-005 (Originally 2012-003):***

**CDEA 93.596 only portion that is repeated:** All program managers and staff are trained and are familiar with the requirements identified by the federal program. The Department has invested in additional employees in order to reduce the provider to staff ratio. These added staff members will assist in the oversight of the Child Care Registered Home Providers. With the additional staff, we can ensure more thorough, timely home inspections to certify that all health and safety requirements are documented properly as outlined in regulations and policy.

**STATE OF NEW MEXICO  
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**Schedule of Findings and Questioned Costs**

**Year Ended June 30, 2015**

**FEDERAL FINDINGS (CONTINUED)**

**2015-005 (Originally 2012-003) Special Provisions (Significant Deficiency/Non Compliance) – Repeated and Modified (Continued)**

**Criteria:** See below for each program:

**CFDA 93.596:** OMB Circular A-133, Compliance Supplement Part 4 for this program identifies a special provision whereby the Department must perform inspections over child care providers for certain health and safety requirements. The specific requirements are identified in the Department's Child Care Development Fund plan as well as NMAC 8.17.2 NMSA 1978. In these instances, a survey was performed, however, certain required checks were not completed (water heater check, for example.)

**CFDA 93.658:** Payments made to providers are based defined rates determined by the child's age group. In the current Program Plan, clothing payments are not to exceed \$600, per child. Payments for various services are to be identified in the Program Plan that is submitted to the ACF.

**Effect:** The Department is not in compliance with this federal requirement. Additionally, payments to providers may not be correctly calculated or appropriately documented to the ACF.

**Cause:** See below for each program:

**CFDA 93.596:** Lack of complete adherence to the survey checklist outlined by the NMAC at the time the survey was performed.

**CFDA 93.658:** Please refer to the points below that correlate to the points in the condition:

- In each of these instances, the child's file was placed on hold for certain reasons, but the child had a birthday during this period of time. When the child was released from the hold, the FACTS system did not catch the change in age to increase the payment to the provider.
- If budget allows, the Protective Services Division will approve additional clothing allowances for back to school shopping. However, this is not stated in the Program's Plan.
- The Protective Services Division will approve other service types outside the Program Plan as they are needed.

**Recommendation:** We recommend the Department ensure its program managers are familiar with all requirements identified by the OMB for each federal program. If the program staff don't believe they are qualified to perform a certain aspect of the required checklist, they should contract with experts in the field to complete the check.

Additionally, we recommend the Program review its data entry system to ensure birthdays are captured for child cases that are placed on hold, temporarily. Additionally, we recommend the Program review its Plan submitted to the ACF and we are aware the Program is currently in the process of reviewing its plan and policies to capture these additional service types. This is expected to include modification to the clothing allowances.

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Schedule of Findings and Questioned Costs

Year Ended June 30, 2015

**FEDERAL FINDINGS (CONTINUED)**

**2015-005 (Originally 2012-003) (Significant Deficiency/Non Compliance) – Repeated and Modified (Continued)**

**Management's Response:**

**CFDA 93.596:** The Department performs a yearly health and safety inspection for all Child Care Providers. During the inspection, compliance and non-compliance issues are noted on the Inspection report. These inspections are customarily performed on a handheld tablet and is very detailed with the policy embedded in the survey document which leaves little room for error. The condensed checklist is an alternative method primarily used in instances when the handheld tablet is unavailable and on rare occasion. All program managers and staff are trained and are familiar with the requirements identified by the federal program as well as the forms that are used. The Department has invested in additional employees in order to reduce the provider to staff ratio and assist in training as needed. The additional staff will allot time for reviews of provider files and inspection reports to ensure accuracy. In addition, the Department is considering moving this oversight function to Child Care Licensing to ensure consistency and proper documentation of child care surveys.

**CFDA 93.658:** Protective Services Division (PSD) utilizes Permanency Planning Policy (NMAC 8.10.8) and Procedure (PR 8.10.8) and Out of Home Placement Incidental Guidelines to assist with maintenance payments and incidentals. Permanency Planning Procedure maintenance payments (PR 8.10.8.27.6.1) captures the daily maintenance rates for substitute care. PSD staff enter the appropriate placement in FACTS for the type of placement, age of child and level of care. By January 2016, PSD will add Fictive Kin to Level 1 Foster Care or Relative Home for each age category. Moving children into a new service category based on age (0-5, 6-12 and 13 or older), is an automated, batch process. Errors can occur when a child has a birthday that moves the child into a different service category and the opening, closing and approving of a placement change was not completed in a timely manner. To assist with this in August 2015, PSD began providing additional FACTS training to new employees. A portion of the FACTS training addresses opening, closing and approving placements. The PSD FACTS Unit will also review the FACTS "birthday batch process" by January 2016 to ensure it is functioning correctly. In addition, Title IV-E Specialists look at placements when the Title IV-E Specialists determine a child's initial and re-determination eligibility for Title IV-E and will notify the worker and supervisor if the placement does not match up with information related to the child.

For incidental payments such as annual clothing allowance, by January 2016 PSD will add "back to school" and "holiday payment" into incidental payments depending on availability of the budget. These payment runs would occur in August and December of each year. The information from the payment run is provided to the Administrative Deputy Director who informs the FACTS specialist if PSD budget will allow for additional funds to be provided for the "back to school" or "holiday payment". If the budget does allow funds to be provided then the PSD FACTS Specialists request the run be scheduled.

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**Schedule of Findings and Questioned Costs**

**Year Ended June 30, 2015**

**FEDERAL FINDINGS (CONTINUED)**

**2015-005 (Originally 2012-003) Special Provisions (Significant Deficiency/Non Compliance) – Repeated and Modified (Continued)**

PSD utilizes Permanency Planning Policy (NMAC 8.10.8) and Procedure (PR 8.10.8.27.8.3) Other Expenditures – Personal Allowances for Children in non-CYFD Reimbursed Placements for R.T.C. JCAHO accredited placements. Please see below for the procedure 8.3 – Other Expenditures:

**Personal Allowances for Children in non-CYFD Reimbursed Placements:** When the cost of the child's placement is reimbursed through another funding source besides PSD, for example Medicaid, PSD still provides the child with a monthly personal allowance to cover the cost of clothing, hair care, etc. as determined by the age of the child. This personal allowance is as follows:

Children 0-5 Years Old	\$20.00 per Month
Children 6-12 Years Old	\$41.00 per Month
13 Years and Older	\$56.00 per Month

This rate applies to children placed in RTC JHACO accredited and institutional daily rate placement only. [12-31-97; 07-01-01; 12-15-04; 12-22-09]

**2015-002 Allowability – Time and Effort Reporting (Significant Deficiency and Noncompliance)**

**Federal Program:** CFDA 93.556 – Promoting Safe and Stable Families  
**Federal Agency:** US Department of Health and Human Services  
**Federal Award No:** G1301NMFPS/G1401NMFPS/G1311NMFPCV/G1411NMFPCV  
**Questioned Costs:** \$88

**Condition:** During our single audit testwork over allowable costs, we noted the following:

- For the entire fiscal year period of July 1, 2014 through June 30, 2015, this program was incorrectly charged an employee's salary even though the employee was not part of this grant staff. An adjustment was recorded to remove the cost of the wages for the inappropriate employee who was charged to the grant during the year
- For 1 of the 19 timesheets tested, we were unable to recalculate the employee's gross pay by \$88 because of adjustments made to the employee's paycheck that could not be supported or explained.

**STATE OF NEW MEXICO  
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**Schedule of Findings and Questioned Costs**

**Year Ended June 30, 2015**

**FEDERAL FINDINGS (CONTINUED)**

**2015-002 Allowability – Time and Effort Reporting (Significant Deficiency and Noncompliance)  
(Continued)**

**Criteria:** Per OMB A-133 and federal agreements, the programs will be reimbursed for actual costs incurred. 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. In addition, 2 CFR Part 225 states that where employees work on multiple activities or cost objective to work solely on a single Federal award or cost objectives, charges for their salaries and wages will be supported by semi-annual certifications signed by the employee or supervisory official having firsthand knowledge of the work performed by the employee. Additionally, costs charged to the federal grant should be for actual payroll costs incurred.

**Effect:** Non-compliance with applicable regulations, possible undercharges and overcharges to the federal grants. Although, during the audit, an adjustment was recorded to remove the cost of the wages for the inappropriate employee who was charged to the grant during the year, identified in the first bullet above.

**Cause:** Lack of adequate review of the payroll registers for employees charged to the federal grants.

**Recommendation:** We recommend the Department enhance their policies to ensure managerial staff of the federal program review the payroll registers or detail that is being charged to the grant to ensure the appropriate employee time is allocated.

**Management's Response:**

Management concurs with the finding. Payroll registers will be reviewed to ensure that appropriate employee time is being allocated to the correct funding sources.

The Administrative Services Division with the Protective Services Division will ensure a policy and procedures process is put into place by June 30, 2016, to prevent a repeat finding on the time and effort reporting.

**STATE OF NEW MEXICO  
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**Schedule of Findings and Questioned Costs**

**Year Ended June 30, 2015**

**FEDERAL FINDINGS (CONTINUED)**

**2015-003 Eligibility – (Significant Deficiency and Noncompliance)**

**Federal Program: CFDA 93.596 – Child Care Development Fund  
CFDA 93.659 – Adoptions IV-E**

**Federal Agency: US Department of Health and Human Services  
US Department of Health and Human Services**

**Federal Award No: G1301NMCCDF/G1401NMCCDF/G1501NMCCDF  
1401NMADPT/1501NMADPT**

**Questioned Costs: None**

**Condition:** During single audit testwork over eligibility, we noted the following:

- CFDA 93.596 – In 1 out of the 40 files tested, the individual’s residency was not confirmed prior to the individual receiving benefits.
- CFDA 93.659 – In 1 out of the 40 files tested, the Department could not provide documentation of performance of a child abuse and neglect check on the prospective adoption parents. Additionally, in 1 out of 40 files tested, documentation in the participant’s file indicate the participant was not eligible to receive benefits, however, is documented in the Departments system (FACTS) as being eligible and is receiving benefits.

**Criteria:** The specific criteria is outlined below:

- CFDA 93.596 – Per NMAC 8.15.2, proof of NM residency must be verified before an individual may receive benefits under this federal program.
- CFDA 93.659 – The compliance supplement issued by the US Office of Management and Budget (OMB) A-133 states that prospective adoptive parents and any other adult living in the home in the preceding 5 years, must satisfactorily have met a child abuse and neglect registry check. Additionally, the Department should ensure the documentation in the participant files supports the conclusions that are documented in FACTS about a participant’s eligibility status.

**Effect:** Non-compliance with applicable regulations and policies; possible non-eligibility of participants receiving benefits.

**Cause:** Oversight of program staff and lack of adequate documentation within the participant files.

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Schedule of Findings and Questioned Costs

Year Ended June 30, 2015

**FEDERAL FINDINGS (CONTINUED)**

**2015-003 Eligibility – (Significant Deficiency and Noncompliance) (Continued)**

**Recommendation:** We recommend the Department modify their review processes to ensure adequate documentation is provided by the participant to establish eligibility and maintain that documentation in the participant file.

**Management's Response:**

Management concurs with the finding. The Client's residency was not checked. The client worked at the prison in Hobbs, New Mexico and the Child Care Eligibility worker assumed that the client lived in New Mexico and did not confirm residency. The Department performs a sampling of case review audits monthly to ensure compliance with applicable regulations and policies. The Department utilizes these monthly review audits to ensure all policies are followed and to provide additional training and guidance in areas of concern. Additional guidance to staff in fiscal year 2016 will be provided to ensure that everyone is fully trained on the eligibility criteria and the required documentation is accurately placed in each client case file.

**2015-004 Subrecipient Monitoring (Significant Deficiency and Non-Compliance)**

**Federal Program:** CFDA 93.505 - ACA – Home Visiting  
CFDA 93.556 – Promoting Safe and Stable Families  
CFDA 93.658 – Foster Care IV-E

**Federal Agency:** US Department of Health and Human Services – for all listed above

**Pass through agency:** CFDA 93.558 – TANF – PreK, Home Visiting, and Supportive Services

**Federal Award No:** HV\_D89MC23143/HV\_D89MC26362/X02MC23089/HV\_X02MC26334  
G1301NMFPS/G1401NMFPS/G1311NMFPCV/G1411NMFPCV  
1401NMFOST/1501NMFOST  
GSA 15-630-9000-0004/GSA15-630-9000-0012

**Questioned Costs:** None

**Condition:** During our testwork over subrecipient monitoring, we noted deficiencies pertaining to the Department's review of subrecipient audit reports. The Department is not communicating with their subrecipients when the subrecipients SEFA is not fairly presented. In the instances documented below, subrecipients were not reporting the monies expended from the Department as federal expenditures/revenue. The Department's agreements with these subrecipients identifies the money as federal and references the necessary CFDA number. Outlined below are the number of instances in which this occurred:



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Schedule of Findings and Questioned Costs

Year Ended June 30, 2015

**FEDERAL FINDINGS (CONTINUED)**

**2015-004 Subrecipient Monitoring (Significant Deficiency and Non-Compliance) (Continued)**

**CFDA 93.505** - ACA – Home Visiting – 1 out of 1 subrecipient tested.

**CFDA 93.556** – Promoting Safe and Stable Families – 1 out of 2 subrecipients tested.

**CFDA 93.658** – Foster Care IV-E – 1 out of 1 subrecipients tested.

**CFDA 93.558** – TANF – PreK, HomeVisiting, and Supportive Services – 5 out of 12 subrecipients tested.

**Criteria:** Guidance outlined by the OMB A-133 require pass through entities to monitor the activity of their subrecipients. This include a review of the subrecipients' audit reports to determine if the federal money is properly reported and that controls are in place to disburse the federal money.

**Effect:** Subrecipients are not reporting the money they receive from the Department as federal expenditures.

**Cause:** Lack of thorough understanding of the desk review process over the audit reports of the subrecipients.

**Recommendation:** We recommend the Department utilize its Desk Review control sheet more thoroughly to better document matters that need to be brought to the attention of the subrecipient.

**Management's Response:**

The department will comply with the auditor's recommendation by developing procedures to ensure that the desk review control sheet utilized by the CYFD Contract Audit staff is updated to meet all federal standards and is understood by all contract audit staff. The department will reinforce to staff, contractors, and vendors the importance of adherence to understanding the desk review process over audit reports as it pertains to federal sub-recipients monitoring.

The Contracts Audit Supervisor within the Administrative Services Division (ASD) Financial Management Bureau will implement a procedure to review all desk audits for content and federal compliance prior to final reports being issued.

The department is currently in the process of re-examining and updating the CYFD Administrative & Fiscal Standards dated September 3, 2013, for all contracts and agreements since there have been significant changes and updates to the federal requirements that took place in December 2014 under the new Uniform Administrative Requirements, Cost Principles and Audit Requirement for Federal Awards. We anticipate the CYFD Administrative & Fiscal Standards to be updated on or before June 30, 2016. The CYFD Contract Audit Unit staff have qualified staff to perform and conduct all aspect of all audits, and cannot concur with our external auditors that we do not have qualified staff to perform or conduct certain aspects of the audit checklist on contract audits conducted. The CYFD Contract Audit Unit staff will attend future trainings regarding OMB Uniform Grant Guidance that took effect in December 2014.

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**Status of Prior Year Audit Findings**

**Year Ended June 30, 2015**

Finding No. 2007-001	Computer Conversion And Reconciliations – (Significant Deficiency For Financial Statement Audit And Single Audit Findings (All Federal Programs))
Status:	Resolved
Finding No. 2008-002	Capital Assets (Significant Deficiency)
Status:	Repeated and Modified as Non Compliance with NM State Audit Rule, only
Finding No. 2012-001	Use of State Issued Gas Credit Cards (Non Compliance with NM State Audit Rule)
Status:	Repeat and Modified
Finding No. 2014-001	Personnel Files (Non Compliance with NM State Audit Rule)
Status:	Repeat and Modified
Finding No. 2014-002	Untimely Deposits (Non Compliance with NM State Audit Rule)
Status:	Resolved
Finding No. 2014-003	Interagency Transactions (Other Matter – Deficiency in Internal Control)
Status:	Resolved
Finding No. 2015-005 (Originally finding 2012-003)	Special Provisions – CFDA 93.596 (Significant Deficiency/Federal Non Compliance)
Status:	Repeated and Modified

**STATE OF NEW MEXICO  
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

**Exit Conference**

**June 30, 2015**

The financial statements were prepared by the Department from the Department's books and records.

An exit conference was held on November 30, 2015 to discuss the audit report and audit findings.

Those in attendance were as follows:

Children Youth and Families Department

Monique Jacobson	Cabinet Secretary
Jennifer Saavedra	Deputy Secretary
Helen Quintana	Chief of Staff
Jennifer Paddgett	ASD Director
Annette Romero	ASD Deputy Director
Sandra Steckler	Chief Financial Officer
Matthew Lovato	Finance Bureau Chief
Bernice Tapia	Financial Manager

CliftonLarsonAllen LLP

Georgie Ortiz, CPA, CGFM	Managing Principal – New Mexico
Laura Beltran-Schmitz, CPA, CGFM, CFE	Engagement Director

The financial statements were drafted by the Department with assistance from the Independent Public Accountant.