

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

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

CliftonLarsonAllen LLP



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING



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

FINANCIAL STATEMENTS AND SCHEDULES

(With Independent Auditors' Reports Thereon)

FISCAL YEAR ENDED JUNE 30, 2016

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

CONTENTS

	Page
INTRODUCTORY SECTION	
Official Roster	1
Independent Auditors' Report	2-4
Management's Discussion and Analysis	5-13
<u>BASIC FINANCIAL STATEMENTS:</u>	
Government-Wide Financial Statements	Exhibit
Statement of Net Position	1 14
Statement of Activities	2 15
Fund Financial Statements	
Governmental Fund Financial Statements	
Balance Sheet -- Governmental Funds	3 16
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	4 17
Statement of Revenues, Expenditures, and Changes In Fund Balances - Governmental Funds	5 18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities	6 19
Statement of Revenues and Expenditures - Budget and Actual - Budgetary Basis -- General Fund	7 20
Statement of Revenues and Expenditures - Budget and Actual - Budgetary Basis -- Public Pre-Kindergarten -- Fund 20080 P782	8 21
Agency Fund Financial Statement	
Statement of Fiduciary Assets and Liabilities -- Agency Funds	9 22
Notes to Financial Statements	23-53

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

CONTENTS (CONTINUED)

<i>General Fund</i>	Statement/Schedule	Page
General Fund		54
Schedule of Revenues and Expenditures Budget and Actual-Budgetary Basis– General Operating Account and Special Appropriations – Fund 06700	1	55
Schedule of Expenditures Budget and Actual - Budgetary Basis – Program Support – Fund 06700 P576	2	56
Schedule of Expenditures Budget and Actual - Budgetary Basis – Juvenile Justice Services Division – Fund 06700 P577	3	57
Schedule of Expenditures Budget and Actual - Budgetary Basis – Protective Services Division – Fund 06700 P578	4	58
Schedule of Expenditures Budget and Actual - Budgetary Basis – Early Childhood Services Division – Fund 06700 P782	5	59
Schedule of Expenditures Budget and Actual - Budgetary Basis – Behavioral Health Services Division – Fund 06700 P800	6	60
Schedule of Expenditures Budget and Actual - Budgetary Basis – Special Appropriation – Fund 06700 Z80901	7	61
Schedule of Expenditures Budget and Actual - Budgetary Basis – Special Appropriation – Fund 06700 Z50721	8	62
Schedule of Expenditures Budget and Actual - Budgetary Basis – Special Appropriation – Fund 06700 ZA0542	9	63
Schedule of Revenues and Expenditures – Budget and Actual - Budgetary Basis – Special Appropriation – Light Account Fund 06800	10	64

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

CONTENTS (CONTINUED)

	Statement/Schedule	Page
<i>General Fund (Continued)</i>		
Schedule of Revenues and Expenditures Budget and Actual- Budgetary Basis – FACTS Protective Services and Special Appropriation – Fund 48900 P578	11	65
Schedule of Revenues and Expenditures Budget and Actual - Budgetary Basis – FACTS Protective Services Fund 48900 P578	12	66
Schedule of Revenues and Expenditures Budget and Actual - Budgetary Basis – Special Appropriation – Fund 48900 ZA0618	13	67
Schedule of Revenues and Expenditures Budget and Actual - Budgetary Basis – FACTS Child Care Payments Account – Fund 49100 P782	14	68
Schedule of Revenues and Expenditures Budget and Actual - Budgetary Basis – Juvenile Community Corrections Account – Fund 83900 P577	15	69
Schedule of Revenues and Expenditure Budget and Actual- Budgetary Basis – Family Nutrition – Federal Child Care Food Account – Fund 84000 P782	16	70
Schedule of Revenues and Expenditures Budget and Actual – Budgetary Basis – Juvenile Justice and Delinquency Prevention – Fund 84100 P580	17	71
<i>Non-Major Governmental Funds</i>		
NonMajor Funds		72
Combining Balance Sheet – Nonmajor Governmental Funds	18	73
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	19	74
Schedule of Revenues and Expenditures- Budget and Actual – Budgetary Basis – Children’s Trust Fund – Fund 7800 P578	20	75

STATE OF NEW MEXICO
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

CONTENTS (CONTINUED)

	Statement/Schedule	Page
<i>Non-Major Governmental Funds (Continued)</i>		
Schedule of Revenues and Expenditures- Budget and Actual – Budgetary Basis – CTF Next Generation – Fund 94800 P578	21	76
Schedule of Revenues and Expenditures- Budget and Actual – Budgetary Basis –Day Care Fund 91100 P782	22	77
Schedule of Revenues and Expenditures- Budget and Actual – Budgetary Basis – Regional Juvenile Services – Fund 20090 P577	23	78
Schedule of Revenues and Expenditures- Budget and Actual – Budgetary Basis – Early Childhood Care – Fund 11520 P782	24	79
Schedule of Revenues and Expenditures – Budget and Actual – Budgetary Basis – Capital Project Fund 59700	25	80
<u>SUPPLEMENTAL INFORMATION REQUIRED BY SECTION 2.2.2 NMAC</u>		
Schedule of General Fund Components – Balance Sheet - General Funds	26	82
Schedule of General Fund Components – Statement of Revenues, Expenditures, and Changes in Fund Balances - General Fund	27	83
Agency Funds		84
Schedule of Changes in Assets and Liabilities – Agency Funds	28	85
Schedule of Cash Accounts	29	86
Schedule of Special Appropriations	30	87
Schedule of Joint Power Agreements	31	88-90
Schedule of Vendor Information for Purchases Exceeding \$60,000 (Excluding GRT) – Unaudited	32	91-97

STATE OF NEW MEXICO
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

CONTENTS (CONTINUED)

	Statement/Schedule	Page
<u>SINGLE AUDIT INFORMATION</u>		
Schedule of Expenditures of Federal Awards	33	99-103
Notes to Schedule of Expenditures of Federal Awards		104
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		105-106
Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance		107-109
Schedule of Findings and Questioned Costs		110-125
Status of Prior Year Audit Findings		126
Exit Conference		127

INTRODUCTORY SECTION

**STATE OF NEW MEXICO
CHILDREN, YOUTH AND FAMILIES DEPARTMENT
OFFICIAL ROSTER
JUNE 30, 2016**

Name	Title
Monique Jacobson	Secretary
Jennifer Saavedra	Deputy Secretary
Tamera Marcantel	Director of Juvenile Justice Services
John Jaramillo	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



CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAconnect.com

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, and the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue fund of the NM Children, Youth and Families Department (Department), as of and for the year ended June 30, 2016, 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 have also audited the financial statements of each of the Department's nonmajor governmental, and fiduciary funds, and the budgetary comparisons for all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2016, 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.

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

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 NM Children, Youth and Families Department as of June 30, 2016, and the respective changes in financial position and, the respective budgetary comparisons for the general fund and major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental and fiduciary fund of the Department as of June 30, 2016, and the respective changes in financial position and the respective budgetary comparisons all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2, the financial statements of the Department are intended to present the financial position and changes in financial position of only that portion of the governmental activities, each major fund, the aggregate remaining fund information and all respective budgetary comparisons of the State of New Mexico that is attributable to the transactions of the Department. They do not purport to, and do not present fairly the financial position of the entire State of New Mexico as of June 30, 2016, 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 financial statements that collectively comprise the NM Children, Youth and Families Department's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the other schedules required by Section 2.2.2 NMAC as listed in the table of contents, are also presented for purposes of additional analysis and is not a required part of the basic financial statements.

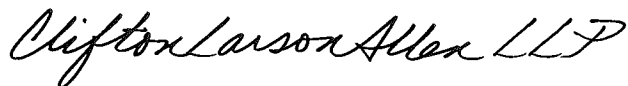
Monique Jacobson, Secretary
NM Children, Youth and Families Department
and Mr. Timothy Keller, New Mexico State Auditor
Santa Fe, New Mexico

The Schedule of Expenditures of federal award and other schedules required by Section 2.2.2 NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures 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.

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 *Government Auditing Standards*, we have also issued our report dated November 23, 2016, on our consideration of the NM Children, Youth and Families Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering NM Children, Youth and Families Department's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Albuquerque, New Mexico
November 23, 2016

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, 2016

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, 2016	Prior year June 30, 2015	Favorable or (Unfavorable)	Percentage Change
Assets				
Current assets	79,844,831	69,521,833	10,322,998	14.85%
Capital assets	1,407,168	947,546	459,622	48.51%
Total Assets	81,251,999	70,469,379	10,782,620	15.30%
Liabilities				
Current liabilities	50,384,053	47,988,501	2,395,552	4.99%
Long - term liabilities	5,420,961	5,542,984	(122,023)	-2.20%
Total liabilities	55,805,014	53,531,485	2,273,529	4.25%
Net Position				
Investment in capital assets	1,407,168	947,546	459,622	48.51%
Restricted	24,066,024	17,297,153	6,768,871	39.13%
Unrestricted	(26,207)	(1,306,805)	1,280,598	-97.99%
Total Net Position	25,446,985	16,937,894	8,509,091	50.24%
Program revenues and expenses				
Program revenues	214,936,888	191,989,810	22,947,078	11.95%
Program expenses	(451,072,563)	(422,081,928)	(28,990,635)	6.87%
Net revenue (expense)	(236,135,675)	(230,092,118)	(6,043,557)	2.63%
General revenues (expenses)				
General fund and special appropriations	242,848,830	233,567,469	9,281,361	3.97%
Distributions from Land Grant				
Permanent Fund	1,653,462	1,320,139	333,323	25.25%
Other revenue	238,689	58,337	180,352	309.16%
Other sources/(uses), net	-	(1,794,892)	1,794,892	-100.00%
Total general revenues (expenses)	244,740,981	233,151,053	11,589,928	4.97%
Reversion to State General Fund	(96,215)	(1,018,578)	922,363	-90.55%
Change in net position	8,509,091	2,040,357	6,468,734	317.04%
Beginning net position	16,937,894	14,897,537	2,040,357	13.70%
Ending net position	25,446,985	16,937,894	8,509,091	50.24%

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

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

For the Year Ended June 30, 2016

Significant factors impacting the Department's financial position and results of operations during the year ended June 30, 2016 are as follows:

- *Current Assets* increased by \$10,322,998 or 14.85 percent. The net increase consists of many changes over the prior year as follows: State Fund Investment Pool increased by \$6,179,236, Accounts Receivable increased by \$8,678,165, Due from Agency Funds decreased by \$26,654, Due from Other Agencies decreased by \$4,684,653, Due from local governments increase by \$25,300, Supplies Inventory decreased by \$36,094 and Investments at State Investment Council increased by \$187,698.
- *Capital Assets and Investment in Capital Assets* increased by \$459,622 or 48.51 percent due to change in accounting estimate from the composite method to the straight line method.
- *Total Assets* increased by \$10,782,620 or 15.30 percent. See discussions under *Current Assets* and *Capital Assets and Investment in Capital Assets* above.
- *Current Liabilities* increased by \$2,395,552 or 4.99 percent due to several changes of the liability accounts as follows: Deficit in the State Fund Investment Pool increased by \$4,825,110, Accounts payable decreased by \$12,986,650, Due to other agencies decreased by \$482,337, Due to State General Fund decreased by \$1,238,236, Due to federal government decreased by \$7,309, Due to local governments increased by \$73,203, Due to beneficiaries decreased by \$1,001,905, Compensated Absences decreased by \$284,720 and other related payroll liabilities and withholdings increased by \$517,523, Other Accrued Liabilities increased by \$13,135,056, Accrued Payroll increased by \$457,084, and Unearned Revenue decreased by \$611,267.
- *Long-Term Liabilities* decreased by \$122,023 or 2.20 percent due to the change in long term portion of compensated absences.
- *Total Liabilities* increased by \$2,273,529 or 4.25 percent. See discussion under *Current Liabilities* above.
- *Restricted Net Position* increased by \$6,768,871 or 39.13 percent due to in large part to ending fund balance by law or grant being included in this category.
- *Unrestricted Net Position (deficit)* decreased by \$1,280,598 or 97.99 percent mainly due to the General Operating increase attributed to the non-reverting language for both FY15 and FY16 for the Early Childhood and Protective Services Programs as well as Juvenile Justice for FY16.
- *Total Net Position* increased by \$8,509,091 or 50.24 percent. See discussion under *Current Assets* and *Current Liabilities* above. Refer Note 17 for more detail on ending fund balances.
- *Program Revenues* increased by \$22,947,078 or 11.95 percent. Net increase attributed to Federal Funds of \$22,882,760 and Other State Funds decrease of \$673,407.
- *Program Expenses* increased by \$28,990,635 or 6.87 percent due mainly to the increase in the General Fund Appropriation for fiscal year 2016.

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

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

For the Year Ended June 30, 2016

- *Deficiency of Program Revenues over Program Expenses* increased by \$6,043,557 or 2.63 percent. See discussion under *Program Revenues* and *Program Expenses* above.
- *General Fund Appropriations* increased by \$9,281,361 or 3.97 percent over the prior year's appropriations.
- *Distributions from the Land Grant Permanent Fund* increased by \$333,323 or 25.25%. This distribution is based on the Department's share of this overall investment held with the State of New Mexico Investment Council.
- *Other Revenues* increased by \$180,352 or 309.16 percent. This balance is largely comprised of investment income from the NM State Investment Council.
- *Other Sources (Uses) net* increased by \$1,794,892 or 100 percent, as the Department did not have any transfers outside the special appropriations from the NM Department of Finance and Administration.
- *A Reversion to State General Fund* decreased by \$922,363 or 90.55 percent from the prior year reversion. CYFD, increased expenditures over FY15. Some of the increases in expenditures is attributed to maintaining lower vacancy rates within Juvenile Justice and Protective Services. The decrease in reversion is also associated with the non-reverting language provided to CYFD by the Legislature for FY 15 and FY16 for Early Childhood and Protective Services Programs as well as for Juvenile Justice for FY16. Refer to Note 17.
- *Change in Net Position* increased by \$6,468,734 or 317.04 percent due to the non-reverting language by the Legislature for FY15 and FY16 for Early Childhood and Protective Services Programs, as well as for Juvenile Justice for FY16.

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

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

For the Year Ended June 30, 2016

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, 2016	Prior Year June 30, 2015	Increase or (Decrease)	Percentage Change
Major Funds				
General Fund				
Nonspendable	\$ 240,117	\$ 276,211	\$ (36,094)	-13.07%
Restricted	5,550,768	4,954,514	596,254	12.03%
Committed	6,903,545	3,539,082	3,364,463	95.07%
Total General Fund	12,694,430	8,769,807	3,924,623	44.75%
Pre-Kindergarten				
Nonspendable	-	-	-	-
Restricted	7,229,500	5,087,807	2,141,693	42.09%
Committed	-	-	-	-
Total Pre-Kindergarten	7,229,500	5,087,807	2,141,693	42.09%
Non - Major Funds				
Nonspendable	2,000,000	7,155,580	(5,155,580)	-72.05%
Restricted	9,285,756	10,141,573	(855,817)	-8.44%
Committed	2,500,000	-	2,500,000	-
Total Non Major Funds	13,785,756	17,297,153	(3,511,397)	-20.30%
Total	\$ 33,709,686	\$ 26,066,960	\$ 9,990,939	180.88%

Ending fund balance for the current fiscal year, in the General Fund accounted for 38.0 percent of total fund balance for the Department. Ending fund balance for the Pre-Kindergarten fund accounted for 21% of the total fund balance for the Department.

FY16 GENERAL BUDGETARY HIGHLIGHTS

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 State General Fund to CYFD for the FY16 Operating Budget. CYFD was later reduced per the Laws of 2016, Chapter 11, Section 10A and 10B by \$1,439.5 for an adjusted total of \$238,918.0. The reduction was to address the State's projected revenue shortfall.

The FY16 appropriation included funding of \$500.0 for seven (7) FTE relating to the Law Enforcement Virtual Desktop 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) initiative; \$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

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

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

For the Year Ended June 30, 2016

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 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.

In addition, CYFD requested and received a supplemental of \$892.9 to address the shortfall in care and support payments for the children who are in custody of Protective Services.

The Legislature also appropriated additional Temporary Assistance for Needy Families (TANF) carryover to expand services for Pre-K in the amount of \$5,500.0, \$2,500.0 for Home Visiting and \$900.0 for Supportive Housing.

CYFD received non-reverting language for both Protective Services and Early Childhood Services for any unspent general fund balances remaining at the end of June 30, 2015. The language allowed the agency to utilize the funding for expenditures in FY16 through a Budget Adjustment. The non-reverting funds in Protective Services was used to offset the Costs of Personal Services and Care and Support and the non-reverting funds for Early Childhood Services was used to 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.

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 also 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).

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

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

For the Year Ended June 30, 2016

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 2015, First Session, Chapter 101, Section 4 for the year ended June 30, 2016 were:

TYPE	MEASURE	TARGET	RESULT
Early Childhood Services:			
Outcome	Percent of licensed childcare providers participating in stars/aim high levels three through five or with national accreditation	32%	15.2%
Outcome	Percent of children in state funded prekindergarten showing measurable progress on the preschool readiness kindergarten tool	92.0%	94.3%
Outcome	Percent of children receiving state subsidy in starts/aim high programs level three through five or with national accreditation	40%	31.3%
Outcome	Percent of infants on schedule to be fully immunized by age two	85%	93.8%
Outcome	Percent of parents who demonstrate progress in practicing positive parent-child interactions	30%	43.8%
Outcome	Percent of licensed childcare providers participating in FOCUS, levels three through five	15%	20.2%
Outcome	Percent of children receiving state subsidy in FOCUS program, levels three through five	10%	21.3%
Protective Services:			
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%	87.7%
Outcome	Percent of adult victims or survivors receiving domestic violence services who have an individualized safety plan	94%	88.9%
Outcome	Turnover rate for protective service workers	20%	29.7%
Juvenile Justice Services:			
Outcome	Turnover rate for youth care specialists	14%	18.3%
Outcome	Percent of clients who successfully complete formal probation	70.0%	85.4%
Outcome	Percent of clients recommitted to a children, youth and families department facility within two years of discharge from facilities	9.0%	9.5%
Outcome	Percentage 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, 2016

TYPE	MEASURE	TARGET	RESULT
Outcome	Percent of program clients age eighteen and older who enter adult corrections within two years after discharge from a juvenile justice facility	6%	13.1%
Outcome	Number of physical assaults in juvenile justice facilities	<250	448
Program Support:			
Efficiency	Average number of days to fill positions from the advertisement close date to candidate start date	65	60.5

CAPITAL ASSETS AND DEBT ADMINISTRATION

Total capital assets, net of depreciation, for the Department makes up 1.73 percent of the Department's total assets. The Department has no infrastructure assets.

Total compensated absences at June 30, 2016 are \$6,069,869. The estimated amount to be paid from current General Fund appropriations within one year is \$4,248,908 or 70.0 percent, with \$1,820,961 or 30.0 percent due after one year. There was no significant activity to report for compensated absences during the year ended June 30, 2016.

FY17 OPERATING BUDGET

The FY17 operating budget for the Children, Youth and Families Department (CYFD) was appropriated at \$486,073.8 during the State Legislature in the General Appropriations Act, Laws of 2016, Chapter 11 Section 4. Included in the overall budget for CYFD is an appropriation of \$244,963.6 from the New Mexico State General Fund. An appropriation was also made to CYFD in the amount of \$1,500.0 was received for Child Abuse Prevention Services in the Laws of 2016, 2nd Special Session, Chapter 7, Section 7.

The FY17 operating budget provides an additional \$1,700.0 to support the growth in the care and support costs for children in the custody of Protective Services; \$700.0 to replace the Permanent Land Fund Balance; \$750.0 to reduce the vacancy factor in Protective Services; \$50.0 to support Provider Training and Education; \$400.0 to expand the Home Visiting Program; \$250.0 for Pre-K Services to 3 year olds; and \$1,314.0 for 22 additional FTE to assist with the recruitment and retention of critical Protective Services staff to make caseloads more manageable and closer to the national standards, which in turn will ensure the safety, permanency and well-being of the children in New Mexico.

The Legislature also appropriated \$500.0 though a cost-shift from general fund for additional Temporary Assistance for Needy Families (TANF) carryover for Pre-K Services.

CYFD received a special appropriation of \$250.0 for moving costs and furniture and fixtures for the Albuquerque offices, and non-reverting language for Juvenile Justice, Protective Services and Early Childhood Services for any unspent general fund balances remaining at the end of June 30, 2016 to be used for FY17 expenditures through a budget adjustment.

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

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

For the Year Ended June 30, 2016

Through the General Services Department – Facilities Management Division, was appropriated in capital outlay requests for CYFD projects: \$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; \$280.0 for a new fire alarm system at the CNYC to meet current safety and security requirements; \$400.0 to replace the HVAC units at the JPTC in Las Cruces; \$85.0 for construction improvements at the Juvenile Services Eagles Nest Reintegration Center; and \$85.0 for improvements to the Henry Perea Building (Valencia County Child Advocacy Center).

The FY17 Operating Budget allows the Department to focus on continued priorities which align with the Strategic Planks identified in the FY17 Strategic Plan. Whether linked to shoring up core functions, early education and prevention services or community engagement, the funding ensures that the Department's workforce, programs and service community have accessible resources available so that we can all do our part to improve the quality of life for our children.

FY18 OPERATING BUDGET REQUEST

The FY18 Operating Budget Request of \$476,167.0, includes a general fund request of \$246,463.6, an increase of \$1,500.0 or 1.01 percent over the FY17 operating budget. The increase of \$1,500.0 was appropriated during the 2016 2nd Special Legislative Session for expenditures in FY 2017 and subsequent fiscal years to support services for the prevention of child abuse. Early Childhood Services will use \$600,000 to expand Home Visiting Level II services, \$300,000 for Home Visiting Level II in Neonatal Intensive Care Units (NICU) and \$600,000 for At-Risk Child Care.

CYFD submitted a budget request based on information regarding the State's financial situation. The request continues to allow CYFD to focus on shoring up the Department's core functions, while ensuring the services are reaching the most vulnerable in our State.

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 I

Statement of Net Position

June 30, 2016

ASSETS	<u>Governmental Activities</u>
Current assets:	
Cash	\$ 60,000
State Fund Investment Pool	33,288,720
Accounts receivable, net	37,146,906
Due from other agencies	3,367,780
Due from local governments	25,300
Supplies inventory	240,117
Other assets	120
Investments at State Investment Council	5,715,888
Total current assets:	<u>79,844,831</u>
Noncurrent assets:	
Capital assets, net	<u>1,407,168</u>
Total assets	<u><u>81,251,999</u></u>
 LIABILITIES 	
Deficit State Fund Investment Pool	\$ 6,877,909
Accounts payable	20,184,295
Accrued payroll	2,149,671
Other payroll related liabilities and withholdings	2,253,046
Other accrued liabilities	13,364,251
Due to local governments	73,203
Due to beneficiaries	85,775
Due to other agencies	60,985
Due to state general fund	396,962
Due to federal government	689,048
Compensated absences	4,248,908
Noncurrent liabilities:	
Lawsuit litigation accrual	3,600,000
Compensated absences due in more than one year	1,820,961
Total liabilities	<u><u>55,805,014</u></u>
 NET POSITION 	
Net investment in capital assets	1,407,168
Restricted for:	
Children's trust fund - permanent	2,000,000
Children's trust fund -permanent and special revenue	4,320,758
Day care fund	3,580,798
Subsequent years expenditures by applicable legislation and law	14,164,468
Unrestricted (deficit)	<u>(26,207)</u>
Total net position	<u><u>\$ 25,446,985</u></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, 2016

	Expense	Program Revenues Operating Grants and Contributions	Governmental Activities Net Program (Expense)
Governmental Activities:			
Health and Welfare	\$ (448,460,191)	\$ 214,575,667	\$ (233,884,524)
Public Safety	(2,188,595)	361,221	(1,827,374)
Depreciation expense	(423,777)	-	(423,777)
Total governmental activities	\$ (451,072,563)	\$ 214,936,888	(236,135,675)
 General Revenues:			
General fund and special appropriations			242,848,830
Distributions from Land Grant Permanent Fund			1,653,462
Miscellaneous revenue			45,954
Interest			192,735
Total general revenues			244,740,981
Transfers			
General fund reversion 2016 fiscal year			(96,215)
Net transfers			(96,215)
Change in net position			8,509,091
Net position, beginning of year			16,937,894
Net position, end of year			\$ 25,446,985

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, 2016

	General Fund	20080 Pre- Kindergarten	Non-major Governmental Funds	Total Governmental Funds
ASSETS				
State Fund Investment Pool	\$ 15,335,436	\$ 9,327,685	\$ 8,625,599	\$ 33,288,720
Cash	60,000	-	-	60,000
Accounts receivable, net	37,145,423	-	1,483	37,146,906
Due from other funds	-	-	93,849	93,849
Due from other agencies	3,364,905	-	2,875	3,367,780
Due from local governments	-	-	25,300	25,300
Supplies inventory	240,117	-	-	240,117
Other assets	-	-	120	120
Investments at State Investment Council	-	-	5,715,888	5,715,888
Total assets	\$ 56,145,881	\$ 9,327,685	\$ 14,465,114	\$ 79,938,680
LIABILITIES AND FUND BALANCES				
Deficit State Fund Investment Pool	\$ 6,877,909	\$ -	-	\$ 6,877,909
Accounts payable	17,557,531	2,081,848	544,916	20,184,295
Accrued payroll	2,141,073	8,598	-	2,149,671
Other payroll related liabilities and withholdings	2,247,662	7,679	(2,295)	2,253,046
Other accrued liabilities	13,364,251	-	-	13,364,251
Due to other funds	-	-	93,849	93,849
Due to local governments	30,624	-	42,579	73,203
Due to beneficiaries	85,775	-	-	85,775
Due to other agencies	60,985	-	-	60,985
Due to state general fund	396,902	60	-	396,962
Due to federal government	688,739	-	309	689,048
Unearned revenue	-	-	-	-
Total liabilities	43,451,451	2,098,185	679,358	46,228,994
FUND BALANCES				
Non-spendable fund balance				
Inventory	240,117	-	-	240,117
Children's trust fund - permanent	-	-	2,000,000	2,000,000
Restricted				
Children's trust fund - special revenue	-	-	4,320,758	4,320,758
Day care fund	-	-	3,580,798	3,580,798
By law or grant	5,550,768	-	-	5,550,768
Subsequent year's expenditures by appropriation	-	7,229,500	1,384,200	8,613,700
Committed	6,903,545	-	2,500,000	9,403,545
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	12,694,430	7,229,500	13,785,756	33,709,686
Total liabilities and fund balances	\$ 56,145,881	\$ 9,327,685	\$ 14,465,114	\$ 79,938,680

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, 2016

Fund balances - total governmental funds		\$ 33,709,686
Amounts reported for governmental activities in the statement of net position are different because:		
Governmental capital assets	\$ 4,772,512	
Less accumulated depreciation	<u>(3,365,344)</u>	1,407,168
Lawsuit litigation accrual		(3,600,000)
Compensated absences recorded in the statement of net position not recorded in the governmental funds		<u>(6,069,869)</u>
Net position of governmental activities		<u><u>\$ 25,446,985</u></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, 2016

	General Fund	20080 Pre- Kindergarten	Non-Major Governmental Funds	Total Governmental Funds
REVENUES				
Federal funds	\$ 197,097,184	\$ 13,600,000	\$ -	\$ 210,697,184
Other state funds	2,394,452	-	1,107,527	3,501,979
Interest and gain on investments	-	-	192,735	192,735
Miscellaneous revenue	10,827	4,510	30,617	45,954
Total revenues	<u>199,502,463</u>	<u>13,604,510</u>	<u>1,330,879</u>	<u>214,437,852</u>
EXPENDITURES				
Current:				
Health and Welfare	421,598,326	24,422,817	2,740,869	448,762,012
Public Safety	2,188,595	-	-	2,188,595
Capital outlay	250,596	-	-	250,596
Total expenditures	<u>424,037,517</u>	<u>24,422,817</u>	<u>2,740,869</u>	<u>451,201,203</u>
Excess (deficiency) of revenues over expenditures	<u>(224,535,054)</u>	<u>(10,818,307)</u>	<u>(1,409,990)</u>	<u>(236,763,351)</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers State General Fund Appropriations	224,114,500	12,960,000	2,986,400	240,060,900
Transfers Special Appropriations	2,787,930	-	-	2,787,930
Distributions from Land Grant Permanent Fund	1,653,462	-	-	1,653,462
Transfers to other State Agencies	-	-	-	-
General fund reversions	(96,215)	-	-	(96,215)
Total other financing sources and (uses)	<u>228,459,677</u>	<u>12,960,000</u>	<u>2,986,400</u>	<u>244,406,077</u>
Net change in fund balances	3,924,623	2,141,693	1,576,410	7,642,726
Fund balances, beginning of year	<u>8,769,807</u>	<u>5,087,807</u>	<u>12,209,346</u>	<u>26,066,960</u>
Fund balances, ending	<u>\$ 12,694,430</u>	<u>\$ 7,229,500</u>	<u>\$ 13,785,756</u>	<u>\$ 33,709,686</u>

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

Year Ended June 30, 2016

Net change in fund balances - total governmental funds \$ 7,642,726

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	\$ 250,596	
Less current year depreciation	<u>(423,777)</u>	(173,181)

Disposal of capital assets		(104,922)
----------------------------	--	-----------

Change in method of depreciation		737,725
----------------------------------	--	---------

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.

Decrease in accrued compensated absences		<u>406,743</u>
--	--	----------------

Change in net position of governmental activities		<u><u>\$ 8,509,091</u></u>
---	--	----------------------------

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 - Budget and Actual -
Budgetary Basis - General Fund

Year Ended June 30, 2016

General Fund				
	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Adjusted		
Revenues				
General fund appropriation	\$ 225,554,000	\$ 224,114,500	\$ 224,114,500	\$ -
Federal funds	212,011,830	213,749,989	197,097,184	(16,652,805)
Other state funds	6,921,800	6,921,800	2,405,279	(4,516,521)
Other financing sources	-	-	4,441,392	4,441,392
Total budgeted revenues	444,487,630	444,786,289	\$ 428,058,355	\$ (16,727,934)
Budgeted fund balance	742,000	3,734,952		
Total revenues and budget fund balance	\$ 445,229,630	\$ 448,521,241		
	Budgeted Amounts		Actual Expenditures	Variance Favorable (Unfavorable)
	Original	Adjusted		
Expenditures				
Personnel services	\$ 134,840,400	\$ 137,996,449	\$ 137,138,326	\$ 858,123
Contractual services	92,517,425	90,061,800	70,172,556	19,889,244
Other costs	217,871,805	220,462,992	216,486,987	3,976,005
Other financing uses	-	-	-	-
Total budgeted expenditures	\$ 445,229,630	\$ 448,521,241	423,797,869	\$ 24,723,372
Plus entry to increase allowance for uncollectable accounts			239,648	
Less budgetary transfers to other agencies			-	
Total fund financial expenditures			\$ 424,037,517	
Reconciliation to GAAP basis				
Total actual budget revenue			\$ 428,058,355	
Less total actual GAAP expenditures			(424,037,517)	
Less General Fund reversion			(96,215)	
Less transfers to other agencies			-	
Net change in general fund balance			\$ 3,924,623	

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

STATE OF NEW MEXICO
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

Exhibit 8

Special Revenue Accounts
Statement of Revenues and Expenditures -
Budget and Actual - Budgetary Basis
Public Pre-Kindergarten - Fund 20080 P782

Year Ended June 30, 2016

Public Pre-Kindergarten - Fund 20080 P782				
	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Amended		
Revenues				
General fund appropriation	\$ 12,960,000	\$ 12,960,000	\$ 12,960,000	\$ -
Federal funds	13,600,000	13,600,000	13,600,000	-
Other state funds	-	-	4,510	4,510
Total budgeted revenues	26,560,000	26,560,000	<u>\$ 26,564,510</u>	<u>\$ 4,510</u>
Budgeted fund balance	-	-		
Total revenues and budgeted fund balance	<u>\$ 26,560,000</u>	<u>\$ 26,560,000</u>		
	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Amended		
Expenditures				
Personnel services & benefits	\$ 331,400	\$ 386,400	\$ 386,270	\$ 130
Contract services	26,134,900	26,134,900	24,010,558	2,124,342
Other costs	93,700	38,700	25,989	12,711
Other financing uses	-	-	-	-
Total budgeted expenditures	<u>\$ 26,560,000</u>	<u>\$ 26,560,000</u>	<u>\$ 24,422,817</u>	<u>\$ 2,137,183</u>
Net change in fund balance			<u>\$ 2,141,693</u>	

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

STATE OF NEW MEXICO
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

Exhibit 9

Statement of Fiduciary Assets and Liabilities - Agency Funds

June 30, 2016

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 34,163
State Fund Investment Pool	559,993
Due from other agencies	<u>-</u>
Total assets	<u><u>\$ 594,156</u></u>
LIABILITIES	
Deposits held for others	\$ 594,156
Due to other funds	<u>-</u>
Total liabilities	<u><u>\$ 594,156</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, 2016

Note	Description	Page
1.	History and Function	24-25
2.	Summary of Significant Accounting Policies	25-35
3.	Cash, State Fund Investment Pool and Investments	35-38
4.	Accounts Receivable	39
5.	Capital Assets	40
6.	Retirement Plans (State PERA and ERB)	41-42
7.	Post-Employment Benefits – State Retiree Health Care Plans	42-43
8.	Budgetary Basis	43
9.	Compensated Absences	44
10.	Lease Obligations	44
11.	Claims and Judgments	45
12.	Due From and Due to Other Funds	45-46
13.	Reversions	46-47
14.	Due From and Due to Other State Agencies	48-49
15.	Intergovernmental Payables	50
16.	Transfers to/from Other State Agencies	51
17.	Governmental Fund Balances	51-52
18.	Funds held in Trust by Others	53
19.	Contingency	53
20.	Subsequent Accounting Pronouncements	53

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

Notes to Financial Statements (Continued)

June 30, 2016

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 40th 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, 2016

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 is not included in any other governmental "reporting entity" as defined in Section 2100, *Codification of Governmental Accounting and Financial Reporting Standards*. Even though 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, 2016.

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

Notes to Financial Statements (Continued)

June 30, 2016

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 Assets, 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, 2016

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 major funds are its general fund and 20080 Pre-Kindergarten, a special revenue 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, 2016

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.

Major Funds

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, 2016

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Presentation (Continued)

MAJOR SPECIAL REVENUE FUND

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.

GOVERNMENTAL FUND TYPES

Non-Major 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.

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

Notes to Financial Statements (Continued)

June 30, 2016

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting (Continued)

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 measurable 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.

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 2016 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.

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

Notes to Financial Statements (Continued)

June 30, 2016

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

For the year ended June 30, 2016 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 2016 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, 2016

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, 2016, 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 the 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 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 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 a 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, 2016

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 consumed. Inventories are stated at the lower of average cost or market. Reported inventories are classified as 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.

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

Notes to Financial Statements (Continued)

June 30, 2016

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 the Legislature's and Executive Branch's intent to be used for specific purposes or in some cases by legislation. See Note 16 Governmental Fund Balances – Nonspendable, Restricted and Committed 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, 2016

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). 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 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, 2016 consist of the following:

Bank account - General Fund	\$	60,000
Bank accounts - Agency Funds		34,163
Cash on hand		-
 Total cash balance	 \$	 94,163

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

Notes to Financial Statements (Continued)

June 30, 2016

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 (less deficit of \$6,877,909)	\$	8,457,527
20080 Pre-Kindergarten balance		9,327,685
Non major Government Funds balances		8,625,599
Agency Funds		<u>559,993</u>
 Net balance	 \$	 <u><u>26,970,804</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, 2016.

All funds on deposit with banking institutions were fully covered by Federal Deposit Insurance Corporation (FDIC) Insurance at June 30, 2016, as the bank balances indicate below:

	Wells Fargo Bank	Bank of America
Total amount of deposits per bank	\$ 54,324	\$ 37,696
Less: FDIC Coverage	<u>250,000</u>	<u>250,000</u>
 Total uninsured public funds	 <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, 2016

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

CYFD investments held by the State Investment Council at June 30, 2016 were as follows:

	<u>Permanent Children Trust</u>	<u>Permanent CTF-Next Gen</u>
Level 1		
Large Cap Index	\$ 695,421	\$ 269,753
Non US Developed Markets Pool	142,205	51,048
Non US Emerging Markets Pool	32,282	10,006
Level 2		
US Core Bonds Pool	<u>3,268,445</u>	<u>1,246,728</u>
Total	<u>\$ 4,138,353</u>	<u>\$ 1,577,535</u>

The State Investment Council categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Fair Value Measurement level is dependent on the Investment Pool(s) the Department is invested in. Below are the Levels by investment pool:

- Investments in the Large Cap Active Pool –Level 1
- Investments In the Large Cap Index Pool (investments are in a commingled fund) –Level 2
- Investments in Small/Mid Cap Active Pool –Level 1
- Investments in Non US Developed Markets Index Pool –Level 1
- Investments In Non US Emerging Markets Index Pool –Level 1
- Investments in Core Plus Bonds Pool – Level 2
- Investments in Credit & Structured Finance Pool, Real Estate Pool, Absolute Return Pool and Private Equity Pool –Level 3

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 OF NEW MEXICO
CHILDREN, YOUTH AND FAMILIES DEPARTMENT**

Notes to Financial Statements (Continued)

June 30, 2016

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

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 Board 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 State Controller indicated on August 8, 2016 that calculated difference between resources maintained by STO and the agency claims has remained stable and within a narrow and acceptable range (< \$200k standard deviation) over the last twelve months; resources are sufficient to cover claims and there is no need to adjust any specific business unit claim on the SGFIP and that all claims will be honored at face value.

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, 2016 the Department had the following invested in the General Fund Investment Pool: \$26,970,804.

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, 2016.

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, 2016.

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

Notes to Financial Statements (Continued)

June 30, 2016

NOTE 4. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2016 are as follows:

	General Fund
Federal Grants receivable *	\$ 36,129,745
Accounts receivable - overpayment of benefits	5,746,004
Other receivables	3,464,679
Less: Contractual and collectability allowances	(8,193,522)
Total accounts receivable	\$ 37,146,906

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

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

An analysis for the receivable allowances is as follows:

Balance, beginning of year	\$ 7,953,874
Provision for doubtful accounts	239,648
Reconciling item **	-
Balance, end of year	\$ 8,193,522

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

Notes to Financial Statements (Continued)

June 30, 2016

NOTE 5. CAPITAL ASSETS

The Department does not have any debt related to capital assets as of June 30, 2016. The current year additions were paid from the General Fund as the expenditures from the Capital Project Fund did not meet the capitalization criteria.

	Balance June 30, 2015	Additions	Deletions	* Change in Accounting Estimate	** Adjustments	Balance June 30, 2016
Governmental activities:						
Depreciable Assets:						
Buildings and structures	\$ 928,910	\$ -	\$ (591,737)	\$ -	\$ (337,173)	-
Data processing equipment	2,535,531	213,740	(52,199)	-	-	2,697,072
Equipment and machinery	663,943	19,990	(34,811)	-	-	649,122
Furniture and fixtures	784,718	16,866	-	-	-	801,584
Vehicles	20,384	-	-	-	-	20,384
Leasehold Land Improvements	267,177	-	-	-	337,173	604,350
Total Depreciable Assets	5,200,663	250,596	(678,747)	-	-	4,772,512
Less accumulated depreciation:						
Buildings and structures	530,878	37,148	(508,582)	50,999	(110,443)	-
Data processing equipment	2,413,069	311,034	(47,504)	(505,398)	-	2,171,201
Equipment and machinery	588,493	30,158	(17,739)	(140,372)	-	460,540
Furniture and fixtures	680,255	32,078	-	(145,181)	-	567,152
Vehicles	20,384	-	-	-	-	20,384
Leasehold Land Improvements	20,038	13,359	-	2,227	110,443	146,067
Total accumulated depreciation	4,253,117	423,777	(573,825)	(737,725)	-	3,365,344
Capital assets, net	\$ 947,546	\$ (173,181)	\$ (104,922)	\$ 737,725	\$ -	\$ 1,407,168

Depreciation expense was \$423,777 for the year ended June 30, 2016. Since capital assets are not specifically identified by function, the depreciation expense is unallocated in the Statement of Activities.

* During the year, the Department changed its depreciation methodology from composite to straight-line. The effect of this change is a decrease in accumulated depreciation of \$737,725, which is included in Health and Welfare expenses in the Statement of Activities.

**The Department reclassified assets between its respective asset categories.

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

Notes to Financial Statements (Continued)

June 30, 2016

NOTE 6. RETIREMENT PLANS (STATE PERA AND ERB)

Public Employees Retirement Association's Pension Plan

Plan Description. Substantially all of the Department 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 that plan. That report may be obtained by writing to PERA, PO Box 2123, Santa Fe, New Mexico 87504-2123. The report is also available on PERA's website at <http://www.nmpera.org>.

Funding Policy. Plan members are required to contribute from 4.78% to 8.92% (depending upon the division) of their gross salary. The Department is required to contribute from 16.99% to 26.12% (depending upon the division) of the gross covered salary. The contribution requirements of plan members and the Department are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The Department's contributions to PERA for the fiscal years ending June 30, 2016, 2015, and 2014 were, \$15,301,906, \$15,276,614, and \$14,141,045, respectively, which equal the amount of the required contributions for each fiscal year.

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.

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 2016, the Department was required to contribute 13.90%.

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

Notes to Financial Statements (Continued)

June 30, 2016

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

Funding Policy(Continued)

Employer Contributions (Continued)

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, 2016, 2015, and 2014, were \$391,913, \$499,916, and \$296,576, 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.

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.

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

Notes to Financial Statements (Continued)

June 30, 2016

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

Funding Policy. The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at <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, 2016, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary.

For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2016, 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, 2016, 2015 and 2014 were \$1,767,219, \$1,697,606, and \$2,407,514, respectively, which equal the required contributions for each year.

NOTE 8. BUDGETARY BASIS

For the year ended June 30, 2016, 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, 2016.

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

Notes to Financial Statements (Continued)

June 30, 2016

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, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
Compensated absences:				
Annual leave	\$ 4,929,047	\$ 4,367,104	\$(4,586,430)	\$ 4,709,721
Compensatory leave	1,380,963	1,535,423	(1,720,102)	1,196,284
Sick leave	<u>166,602</u>	<u>3,536,591</u>	<u>(3,539,329)</u>	<u>163,864</u>
Total compensated absences	6,476,612	<u>\$ 9,439,118</u>	<u>\$(9,845,861)</u>	6,069,869
Less current portion	<u>4,533,628</u>			<u>4,248,908</u>
Net long-term compensated absences	<u>\$ 1,942,984</u>			<u>\$ 1,820,961</u>

The General Fund has been used to pay compensated absences.

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>
2017	\$ 9,807,300	\$ 770,900
2018	9,779,600	653,300
2019	4,981,722	653,300
2020	2,708,849	653,300
2021	<u>1,807,244</u>	<u>653,300</u>
Total	<u>\$ 29,084,715</u>	<u>\$ 3,384,100</u>

During the period ended June 30, 2016, facilities and equipment rent expenses amounted to \$9,294,798.

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

Notes to Financial Statements (Continued)

June 30, 2016

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>

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.

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

Notes to Financial Statements (Continued)

June 30, 2016

NOTE 12. DUE FROM AND DUE TO OTHER FUNDS (CONTINUED)

Fund Name	Amount Due from Other Funds		Fund Name	Amount Due to Other Funds	
	SHARE Fund No.	Amount		SHARE Fund No.	Amount
General Fund	06700	\$ 15,892	FACTS	49100	\$ 15,892
General Fund	06700	1,618	FACTS	48900	1,618
FACTS	48900	396,339	General Fund	06700	396,339
FACTS	48900	<u>1,220,000</u>	General Fund	06700	<u>1,220,000</u>
Major Funds		1,633,849	Major Funds		1,633,849 *
CTF-Expendable	78000	67,716	CTF-Nonexpendable	78100	67,716
Next Gen Expendable	94800	<u>26,133</u>	Next Gen Non-Expendable	94900	<u>26,133</u>
Non-Major Funds		<u>93,849</u>	Non-Major Funds		<u>93,849</u>
Total		<u>\$ 1,727,698</u>			<u>\$ 1,727,698</u>

* Balances due to/due from subfunds are eliminated from the General Fund presentation in the balance sheet.

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 amounts due to the State General Fund for 2016 reversions are:

General Fund

	Reversion Calculation	General Fund
Fund balance SHARE funds 06700, 48900 and 49100	\$ 7,239,872	\$ 7,239,872
Special Appropriations	(1,043,590)	(7,143,657)
Non reverting components of fund balances	-	-
Non-spendable fund balance	(240,117)	-
Restricted by law appropriation or the grant for future years for SHARE 06700, 48900 and 49100		
-Laws of 2015 Non-Reverting Language (ECS)	(1,857,424)	-
-Laws of 2016 Non-Reverting Language (JJS)	(875,695)	-
-Laws of 2016 Non-Reverting Language (ECS)	(2,913,828)	-
-State Permanent and Land Income	(16,501)	-
-Annie Casey Foundation	(136,502)	-
-Client Emergency	<u>(60,000)</u>	<u>-</u>
Current Year Reversion	<u>\$ 96,215</u>	<u>\$ 96,215</u>

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

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

Notes to Financial Statements (Continued)

June 30, 2016

NOTE 13. REVERSIONS (Continued)

-Calculated reversion for 2016	\$ 96,215
-Special Appropriations	35,507
Total General Fund Reversion	\$ 131,722

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

Calculated reversion for 2016	\$ 131,722
Licensing fees per NMSA 24-1-5	121,449
Stale Dated Warrants	11,622
Employee/Vendor Reimbursements & Penalty Fees	132,064
Facts Child Care	45
Total Due to State General Fund	\$ 396,902

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

Major fund reversion	
General Operating	\$ 396,857
Facts Child Care	45
Total Major Fund	\$ 396,902

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

Notes to Financial Statements (Continued)

June 30, 2016

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
<u>General Fund</u>					
General Fund	06700	\$ 129,030	Department of Finance and Admin	76100	\$ 129,030
General Fund	06700	535,019	Department of Finance and Admin	37600	535,019
General Fund	06700	3,025	State Investment Council	60100	3,025
General Fund	06700	478,092	Human Services Department.	05200	478,092
General Fund	06700	457,309	Human Services Department.	97500	457,309
General Fund	06700	101	Department of Transportation	20100	101
General Fund	06700	<u>1,762,328</u>	Public Education Department	84402	<u>1,762,328</u>
Total General Fund		3,364,905			3,364,905
<u>Special Revenue Funds</u>					
Children's Expend. Trust	78000	<u>2,875</u>	MVD - Child Plate	82500	<u>2,875</u>
Total Non Major Governmental Funds		<u>2,875</u>			<u>2,875</u>
Total due from other state agencies		<u>\$ 3,367,780</u>			<u>\$ 3,367,780</u>

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

Notes to Financial Statements (Continued)

June 30, 2016

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 Fund	06700	\$ 24,548	Administrative Office of the Courts	49500	\$ 24,548
General Fund	06700	32,802	Department of Finance	01000	32,802
General Fund	06700	999	Aging and Long Term	04900	999
General Fund	06700	2,585	Human Services Department	05200	2,585
General Fund	06700	<u>51</u>	Department of Transportation	20100	<u>51</u>
Total General Fund		<u>60,985</u>			<u>60,985</u>
Total		<u>\$ 60,985</u>			<u>\$ 60,985</u>

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

Notes to Financial Statements (Continued)

June 30, 2016

NOTE 15. INTERGOVERNMENTAL PAYABLES

Due to Beneficiaries –intergovernmental payables (local governments) are expected to be settled within the next fiscal year.

Amount Due to Beneficiaries/Local Governments			Other Entity		
Fund Name	SHARE Fund No.	Amount	Fund Name	SHARE Fund No.	Amount
General Fund	06700	\$ 74,174	University of New Mexico		\$ 74,174
General Fund	06700	11,601	Eastern New Mexico University		11,601
General Fund	06700	30,624	Navajo Nation		30,624
Regional Juvenile Justice	20090	5,000	Lea County		5,000
Regional Juvenile Justice	20090	27,238	City of Raton		27,238
Regional Juvenile Justice	20090	<u>10,341</u>	Lea County		<u>10,341</u>
Total		<u>\$ 158,978</u>			<u>\$ 158,978</u>

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

Notes to Financial Statements (Continued)

June 30, 2016

NOTE 16. TRANSFERS TO/FROM OTHER STATE AGENCIES

The following is a summary of interagency cash transfers as a result of appropriations from the Department of Finance and Administration.

<u>Transfers from other Agencies</u>	<u>SHARE Number</u>	<u>Amount</u>
Department of Finance and Administration (Laws of 2015-Special Appropriation)	34100	\$ 79,800
Department of Finance and Administration (Laws of 2015-IT Appropriations)	34100	<u>2,708,130</u>
		<u>\$ 2,787,930</u>

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, 2016, follows:

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

Notes to Financial Statements (Continued)

June 30, 2016

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

Fund/Program	Restriction	Committed Purposes	Restricted Purposes	Nonspendable Purposes
General Fund:				
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 and Laws of 2016, Chapter 11, Section 5, Item 41- Non-Reverting Language.	6,903,545		
General Operating	Supplies Inventory			240,117
Special Appropriation Light	Donation by Representative Light when CYFD was established as a Department		453,337	
Juvenile Community Corrections	NMSA-33-9A.3 - Fund used to divert juveniles from institutions and reintegrate them with society.		2,689,164	
Federal Childcare Food Account	Payments to child and adult care providers for meals served to children and adults in non-residential childcare settings		731,859	
JJP/Children's Justice	Account established to implement the federal Juvenile Justice and Delinquency Prevention Act and the federal Children's Justice Act.		1,676,408	
Total General Fund		<u>6,903,545</u>	<u>5,550,768</u>	<u>240,117</u>
Major Special Revenue Fund				
Pre-Kindergarten	NMSA 32A-23-1 - carry out provisions of the Pre-Kindergarten		7,229,500	
Fund Balance - Nonmajor Funds:				
Children's Trust Fund	NMSA 1978 24-19-1 to 24-19-9 - contribute to Children's Trust Funds		1,139,515	
CTF Next Generation	NMSA 1978 24-19-1 to 24-19-9 - used to account for general fund appropriations received for specific purposes.		320,535	
Day Care	NMSA 24-14-29 - resources contributed to or earned by the Day Care Fund		3,580,798	
Regional Juvenile Services	NMSA 32A-23-1 - carry out provisions of the Juvenile Services Act		1,381,722	
Permanent Children's Trust Fund	NMSA 24-19-4 and is used to account for 50% of marriage license fees collected by county clerks		2,066,934	
Permanent Children's Trust Fund	NMSA 24-19-4; principal amount of investment for this fund.			1,000,000
Permanent Children's Trust Fund	Committed by Children's Trust Fund Board to increase investment.	2,500,000		
Permanent CTF Next Gen	NMSA 1978 24-19-1 to 24-19-9; principal amount of investment for this fund.			1,000,000
Permanent CTF Next Gen	NMSA 1978 24-19-1 to 24-19-9 - general fund appropriations, investments and interest on investments		793,774	
Early Childhood Learning	NMSA 32A-23A-6- used to implement the State Early Childhood Care and Education Act		2,478	
Total Fund Balance - Restricted / Committed for Subsequent Years' Expenditures		<u>2,500,000.00</u>	<u>9,285,756</u>	<u>2,000,000</u>
Total Fund Balance		<u>\$ 9,403,545</u>	<u>\$ 22,066,024</u>	<u>\$ 2,240,117</u>

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

Notes to Financial Statements (Continued)

June 30, 2016

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 \$135,356 recognized in the general fund as a component of other state fund revenue.

The Department has a 2/7th interest in the State Charitable, Penal and Reformatory Institutions Fund. Income of \$1,501,794 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 ACCOUNTING PRONOUNCEMENTS

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

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

June 30, 2016

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:

SHARE FUND #	ACCOUNT
06700	General Operating - the operating account of the Department. (P576, P577, P578 and P580)
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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Amended</u>		Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ 170,807,100	\$ 168,757,600	\$ 168,757,600	\$ -
Federal funds	76,428,230	78,131,879	63,883,099	(14,248,780)
Other state funds	4,971,800	4,971,800	5,202,812	231,012
	<u>252,207,130</u>	<u>251,861,279</u>	<u>\$ 237,843,511</u>	<u>\$ (14,017,768)</u>
 Budgeted fund balance	 <u>742,000</u>	 <u>3,352,333</u>		
 Total revenues and budgeted fund balance	 <u>\$ 252,949,130</u>	 <u>\$ 255,213,612</u>		
	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Amended</u>	<u>Expenditures</u>	Favorable (Unfavorable)
Expenditures				
Personnel services & benefits	\$ 134,669,600	\$ 137,835,649	\$ 137,006,429	\$ 829,220
Contract services	89,343,125	86,870,215	68,185,564	18,684,651
Other costs	28,936,405	30,507,748	28,995,352	1,512,396
Other financing uses	-	-	-	-
	<u>\$ 252,949,130</u>	<u>\$ 255,213,612</u>	234,187,345	<u>\$ 21,026,267</u>
 Reversion			 <u>96,215</u>	
 Total GAAP expenditures			 <u>\$ 234,283,560</u>	

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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Expenditures</u>	<u>Favorable</u> <u>(Unfavorable)</u>
	<u>Original</u>	<u>Amended</u>		
Revenues				
General fund appropriation	\$ 13,970,800	\$ 13,570,800	\$ 13,570,800	\$ -
Federal funds	5,809,500	6,184,500	5,774,278	(410,222)
Other state funds	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted revenues	19,780,300	19,755,300	<u>\$ 19,345,078</u>	<u>\$ (410,222)</u>
Budgeted fund balance	<hr/>	<hr/>		
	-	-		
Total revenues and budgeted fund balance	<u>\$ 19,780,300</u>	<u>\$ 19,755,300</u>		
Expenditures				
Personnel services & benefits	\$ 12,852,500	\$ 12,677,500	\$ 12,553,836	\$ 123,664
Contract services	1,870,900	1,793,400	1,704,856	88,544
Other costs	5,056,900	5,284,400	5,084,171	200,229
Other financing uses	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted expenditures	<u>\$ 19,780,300</u>	<u>\$ 19,755,300</u>	<u>\$ 19,342,863</u>	<u>\$ 412,437</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Expenditures</u>	<u>Favorable</u> <u>(Unfavorable)</u>
	<u>Original</u>	<u>Amended</u>		
Revenues				
General fund appropriation	\$ 64,558,800	\$ 64,558,800	\$ 64,558,800	\$ -
Federal funds	673,700	673,700	397,358	(276,342)
Other state funds	1,516,500	1,516,500	1,797,316	280,816
	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted revenues	66,749,000	66,749,000	<u>\$ 66,753,474</u>	<u>\$ 4,474</u>
	<hr/>	<hr/>		
Budgeted fund balance	742,000	801,000		
	<hr/>	<hr/>		
Total revenues and budgeted fund balance	<u>\$ 67,491,000</u>	<u>\$ 67,550,000</u>		
Expenditures				
Personnel services & benefits	\$ 56,234,000	\$ 56,534,000	\$ 56,316,092	\$ 217,908
Contract services	5,041,300	4,791,300	4,230,199	561,101
Other costs	6,215,700	6,224,700	6,067,594	157,106
Other financing uses	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted expenditures	<u>\$ 67,491,000</u>	<u>\$ 67,550,000</u>	<u>\$ 66,613,885</u>	<u>\$ 936,115</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, 2016

	Budgeted Amounts		Actual	Variance
	Original	Amended	Expenditures	Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ 62,522,800	\$ 62,213,100	\$ 62,213,100	\$ -
Federal funds	29,222,730	29,325,534	23,975,233	(5,350,301)
Other state funds	667,000	667,000	614,449	(52,551)
	92,412,530	92,205,634	\$ 86,802,782	\$ (5,402,852)
 Budgeted fund balance	 -	 443,230		
 Total revenues and budgeted fund balance	 \$ 92,412,530	 \$ 92,648,864		
 Expenditures				
Personnel services & benefits	\$ 54,947,200	\$ 56,480,874	\$ 56,416,991	\$ 63,883
Contract services	24,705,500	23,427,360	20,873,321	2,554,039
Other costs	12,759,830	12,740,630	12,661,205	79,425
Other financing uses	-	-	-	-
	\$ 92,412,530	\$ 92,648,864	\$ 89,951,517	\$ 2,697,347

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 Division - Fund 06700 P782

Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Amended	Expenditures	Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ 15,339,900	\$ 15,020,100	\$ 15,020,100	\$ -
Federal funds	37,663,200	37,663,200	29,636,890	(8,026,310)
Other state funds	-	-	2,527	2,527
	53,003,100	52,683,300	\$ 44,659,517	\$ (8,023,783)
 Budgeted fund balance	 -	 2,108,103		
 Total revenues and budgeted fund balance	 \$ 53,003,100	 \$ 54,791,403		
 Expenditures				
Personnel services & benefits	\$ 8,279,600	\$ 9,439,800	\$ 9,134,055	\$ 305,745
Contract services	41,384,700	40,234,200	26,675,115	13,559,085
Other costs	3,338,800	5,117,403	4,268,257	849,146
Other financing uses	-	-	-	-
	\$ 53,003,100	\$ 54,791,403	\$ 40,077,427	\$ 14,713,976

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, 2016

	<u>Budgeted Amounts</u>		<u>Actual Expenditures</u>	Variance Favorable <u>(Unfavorable)</u>
	<u>Original</u>	<u>Amended</u>		
Revenues				
General fund appropriation	\$ 14,164,800	\$ 13,144,800	\$ 13,144,800	\$ -
Federal funds	3,059,100	4,284,945	4,099,340	(185,605)
Other state funds	-	-	220	220
	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted revenues	17,223,900	17,429,745	<u>\$ 17,244,360</u>	<u>\$ (185,385)</u>
 Budgeted fund balance	 <hr/>	 <hr/>		
Total revenues and budgeted fund balance	 <u>\$ 17,223,900</u>	 <u>\$ 17,429,745</u>		
 Expenditures				
Personnel services & benefits	\$ 2,356,300	\$ 2,703,475	\$ 2,585,455	\$ 118,020
Contract services	14,190,700	14,052,370	12,956,609	1,095,761
Other costs	676,900	673,900	665,054	8,846
Other financing uses	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted expenditures	<u>\$ 17,223,900</u>	<u>\$ 17,429,745</u>	<u>\$ 16,207,118</u>	<u>\$ 1,222,627</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 Z80901

Year Ended June 30, 2016

	2015-2016		Current Year <u>Actual</u>	Variance Favorable (Unfavorable)
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Amended</u>		
Revenues				
General fund appropriation	\$ -	\$ -	\$ -	\$ -
Federal funds	-	-	-	-
Other state funds	79,800	79,800	79,800	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted revenues	<u>\$ 79,800</u>	<u>\$ 79,800</u>	<u>\$ 79,800</u>	<u>\$ -</u>

	Budgeted Amounts		Current Year Actual <u>Expenditures</u>	Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Amended</u>		
	Expenditures			
Personnel services & benefits	\$ -	\$ -	\$ -	\$ -
Contract services	79,800	79,800	79,625	175
Other costs	-	-	-	-
Other financing uses	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted expenditures	<u>\$ 79,800</u>	<u>\$ 79,800</u>	<u>\$ 79,625</u>	<u>\$ 175</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 Z50721

Year Ended June 30, 2016

	2015-2016		Current Year <u>Actual</u>	Variance Favorable (Unfavorable)
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Amended</u>		
Revenues				
General fund appropriation	\$ -	\$ -	\$ -	\$ -
Federal funds	-	-	-	-
Other state funds	2,708,500	2,708,500	2,708,500	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted revenues	<u>\$ 2,708,500</u>	<u>\$ 2,708,500</u>	<u>\$2,708,500</u>	<u>\$ -</u>

	Budgeted Amounts		Current Year Actual <u>Expenditures</u>	Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Amended</u>		
	Expenditures			
Personnel services & benefits	\$ -	\$ -	\$ -	\$ -
Contract services	2,032,725	2,454,285	1,665,839	788,446
Other costs	675,775	254,215	249,071	5,144
Other financing uses	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted expenditures	<u>\$ 2,708,500</u>	<u>\$ 2,708,500</u>	<u>\$1,914,910</u>	<u>\$ 793,590</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 ZA0542

Year Ended June 30, 2016

	2015-2016		Current Year Actual	Variance Favorable (Unfavorable)
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Amended</u>		
Revenues				
General fund appropriation	\$ 250,000	\$ 250,000	\$ 250,000	\$ -
Federal funds	-	-	-	-
Other state funds	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted revenues	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ -</u>

	Budgeted Amounts		Current Year Actual Expenditures	Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Amended</u>		
	Expenditures			
Personnel services & benefits	\$ -	\$ -	\$ -	\$ -
Contract services	37,500	37,500	-	37,500
Other costs	212,500	212,500	-	212,500
Other financing uses	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted expenditures	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ -</u>	<u>\$ 250,000</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 Revenues and Expenditures
Budget and Actual - Budgetary Basis

Special Appropriation - Light Account Fund 06800

Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Amended</u>		Favorable (Unfavorable)
Revenues				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	697	697
	<u>\$ -</u>	<u>\$ -</u>	<u>697</u>	<u>697</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 11

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

FACTS Protective Services and Special Appropriation- Fund 48900 P578

Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Amended		
Revenues				
General fund appropriation	\$ 22,013,300	\$ 22,623,300	\$ 22,623,300	\$ -
Federal funds	27,091,700	27,091,700	26,567,421	(524,279)
Other state funds	1,950,000	1,950,000	1,643,162	(306,838)
	51,055,000	51,665,000	\$ 50,833,883	\$ (831,117)
 Budgeted fund balance	 -	 382,619		
 Total revenues and budgeted fund balance	 \$ 51,055,000	 \$ 52,047,619		
 Expenditures				
Other costs	\$ 51,055,000	\$ 52,047,619	\$ 51,348,477	\$ 699,142
 Audit entry to increase allowance for doubtful accounts			 99,607	
 Total GAAP expenditures			 \$ 51,448,084	

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 - Fund 48900 P578

Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Amended</u>		Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ 21,120,400	\$ 21,730,400	\$ 21,730,400	\$ -
Federal funds	26,447,500	26,447,500	26,567,421	119,921
Other state funds	1,950,000	1,950,000	1,643,162	(306,838)
	<u>49,517,900</u>	<u>50,127,900</u>	<u>\$ 49,940,983</u>	<u>\$ (186,917)</u>
Total budgeted revenues				
Budgeted fund balance	<u>-</u>	<u>382,619</u>		
Total revenues and budgeted fund balance	<u>\$ 49,517,900</u>	<u>\$ 50,510,519</u>		
	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Amended</u>	<u>Expenditures</u>	Favorable (Unfavorable)
Expenditures				
Other costs	<u>\$ 49,517,900</u>	<u>\$ 50,510,519</u>	\$ 50,455,577	<u>\$ 54,942</u>
Audit entry to increase allowance for doubtful accounts			<u>99,607</u>	
Total GAAP expenditures			<u>\$ 50,555,184</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

Special Appropriation - Fund 48900 ZA0618

Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Amended</u>		Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ 892,900	\$ 892,900	\$ 892,900	\$ -
Federal funds	644,200	644,200	-	(644,200)
Other state funds	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue	<u>\$ 1,537,100</u>	<u>\$ 1,537,100</u>	<u>\$ 892,900</u>	<u>\$ (644,200)</u>
	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Amended</u>	<u>Expenditures</u>	Favorable (Unfavorable)
Expenditures				
Personnel services & benefits	\$ -	\$ -	\$ -	\$ -
Contract services	-	-	-	-
Other costs	1,537,100	1,537,100	892,900	644,200
Other financing uses	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted expenditures	<u>\$ 1,537,100</u>	<u>\$ 1,537,100</u>	<u>\$ 892,900</u>	<u>\$ 644,200</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 Child Care Payments Account - Fund 49100 P782

Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Amended		
Revenues				
General fund appropriation	\$ 29,990,400	\$ 29,990,400	29,990,400	\$ -
Federal funds	66,616,600	66,616,600	66,643,970	27,370
Other state funds	-	-	-	-
	<u>\$ 96,607,000</u>	<u>\$ 96,607,000</u>	<u>\$ 96,634,370</u>	<u>\$ 27,370</u>

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Amended	Expenditures	
Expenditures				
Contract services	\$ -	\$ -	\$ -	\$ -
Other costs	96,607,000	96,607,000	96,494,329	112,671
Other financing uses	-	-	-	-
	<u>\$ 96,607,000</u>	<u>\$ 96,607,000</u>	96,494,329	<u>\$ 112,671</u>

Audit entry to increase allowance for doubtful accounts		140,041	
Total GAAP expenditures		<u>\$ 96,634,370</u>	

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

Juvenile Community Corrections Account - Fund 83900 P577

Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Amended</u>		Favorable (Unfavorable)
Revenues				
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>	<u>Expenditures</u>	Favorable (Unfavorable)
Expenditures				
Personnel services & benefits	\$ 100,000	\$ 90,000	\$ 78,156	\$ 11,844
Contract services	2,558,600	2,558,600	1,718,877	839,723
Other costs	-	10,000	2,663	7,337
Other financing uses	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted expenditures	<u>\$ 2,658,600</u>	<u>\$ 2,658,600</u>	<u>\$ 1,799,696</u>	<u>\$ 858,904</u>

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

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

Year Ended June 30, 2016

	<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	\$ 39,641,473	\$ (1,556,427)
Other state funds	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total budgeted revenues	<u>\$ 41,197,900</u>	<u>\$ 41,197,900</u>	<u>\$ 39,641,473</u>	<u>\$ (1,556,427)</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	41,197,900	41,197,900	39,579,123	1,618,777
Other financing uses	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total budgeted expenditures	<u>\$ 41,197,900</u>	<u>\$ 41,197,900</u>	<u>\$ 39,579,123</u>	<u>\$ 1,618,777</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

Juvenile Justice & Delinquency Prevention - Fund 84100 P580

Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Amended</u>		Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ 84,600	\$ 84,600	\$ 84,600	\$ -
Federal funds	677,400	711,910	361,221	(350,689)
Other state funds	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted revenues	\$ 762,000	\$ 796,510	\$ 445,821	\$ (350,689)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Amended</u>		Favorable (Unfavorable)
Expenditures				
Personnel services & benefits	\$ 70,800	\$ 70,800	\$ 53,741	\$ 17,059
Contract services	615,700	632,985	268,115	364,870
Other costs	75,500	92,725	67,043	25,682
Other financing uses	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted expenditures	\$ 762,000	\$ 796,510	\$ 388,899	\$ 407,611
	<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**

June 30, 2016

**SHARE
FUND #**

ACCOUNT

NON-MAJOR 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.
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 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.
94900	Children's Trust Fund Next Generation – This fund is used to account for general fund appropriations, investments and interest on investments.

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.
-------	--

STATE OF NEW MEXICO
CHILDREN, YOUTH AND FAMILIES DEPARTMENT
Combining Balance Sheet
Non-Major Governmental Funds

June 30, 2016

	78000	94800	91100	20090	89000	11520	78100	94900	59700	Total Non-Major Governmental Funds
	Children's Trust Fund	CTF Next Generation	Day Care	Regional Juvenile Services	ARRA of 2009	Early Childhood Care and Education	Permanent Children's Trust Fund	Permanent CTF Next Gen	Capital Project Fund	
ASSETS										
State Fund Investment Pool	\$ 828,262	\$ 3,132	\$ 3,580,798	\$ 1,918,834	\$ 86	\$ 15,632	\$ 1,745,213	\$ 533,642	\$ -	\$ 8,625,599
Due from other funds	67,716	26,133	-	-	-	-	-	-	-	93,849
Due from other agencies	2,875	-	-	-	-	-	-	-	-	2,875
Due from local governments	12,650	-	-	-	-	-	12,650	-	-	25,300
Accounts receivable, net	690	-	-	-	103	-	690	-	-	1,483
Other Assets	-	-	-	-	120	-	-	-	-	120
Investments at SIC	262,256	291,270	-	-	-	-	3,876,097	1,286,265	-	5,715,888
Total assets	\$ 1,174,449	\$ 320,535	\$ 3,580,798	\$ 1,918,834	\$ 309	\$ 15,632	\$ 5,634,650	\$ 1,819,907	\$ -	\$ 14,465,114
LIABILITIES AND FUND BALANCE										
Deficit State Fund Investment Pool	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	37,229	-	-	494,533	-	13,154	-	-	-	544,916
Accrued payroll	-	-	-	-	-	-	-	-	-	-
Other payroll related liabilities and withholdings	(2,295)	-	-	-	-	-	-	-	-	(2,295)
Other accrued liabilities	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	67,716	26,133	-	93,849
Due to local governments	-	-	-	42,579	-	-	-	-	-	42,579
Due to beneficiaries	-	-	-	-	-	-	-	-	-	-
Due to other state agencies	-	-	-	-	-	-	-	-	-	-
Due to state general fund	-	-	-	-	-	-	-	-	-	-
Due to federal government	-	-	-	-	309	-	-	-	-	309
Unearned revenue	-	-	-	-	-	-	-	-	-	-
Total liabilities	34,934	-	-	537,112	309	13,154	67,716	26,133	-	679,358
FUND BALANCES										
Non-spendable - permanent	-	-	-	-	-	-	1,000,000	1,000,000	-	2,000,000
Restricted										
Children's Trust Funds	1,139,515	320,535	-	-	-	-	2,066,934	793,774	-	4,320,758
Day Care fund	-	-	3,580,798	-	-	-	-	-	-	3,580,798
Subsequent year's expenditures	-	-	-	1,381,722	-	2,478	-	-	-	1,384,200
Committed	-	-	-	-	-	-	2,500,000	-	-	2,500,000
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total fund balances	1,139,515	320,535	3,580,798	1,381,722	-	2,478	5,566,934	1,793,774	-	13,785,756
Total liabilities, deferred inflows of resources and fund balances	\$ 1,174,449	\$ 320,535	\$ 3,580,798	\$ 1,918,834	\$ 309	\$ 15,632	\$ 5,634,650	\$ 1,819,907	\$ -	\$ 14,465,114

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

STATE OF NEW MEXICO
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

Schedule 19

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

Year Ended June 30, 2016

	78000	94800	91100	20090	89000	11520	78100	94900	59700	
	Children's Trust Fund	CTF Next Generation	Day Care	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
REVENUES										
Other state funds	\$ 137,857	\$ -	\$ 863,428	\$ -	\$ -	\$ -	\$ 106,242	\$ -	\$ -	\$ 1,107,527
Federal revenue	-	-	-	-	-	-	-	-	-	-
Interest (loss) on investments	67,716	26,133	-	-	-	-	71,555	27,331	-	192,735
Miscellaneous revenue	30,617	-	-	-	-	-	-	-	-	30,617
Total revenues	236,190	26,133	863,428	-	-	-	177,797	27,331	-	1,330,879
EXPENDITURES										
Current operating										
Health and welfare	298,102	-	-	2,336,167	-	106,600	-	-	-	2,740,869
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Total expenditures	298,102	-	-	2,336,167	-	106,600	-	-	-	2,740,869
Excess (deficiency) of Revenues over expenditures	(61,912)	26,133	863,428	(2,336,167)	-	(106,600)	177,797	27,331	-	(1,409,990)
OTHER FINANCING SOURCES AND (USES)										
General fund appropriations	221,400	-	-	2,765,000	-	-	-	-	-	2,986,400
Special Appropriations	-	-	-	-	-	-	-	-	-	-
Distributions from Land Grant Permanent Fund	-	-	-	-	-	-	-	-	-	-
General fund reversions	-	-	-	-	-	-	-	-	-	-
Total other financing sources and (uses)	221,400	-	-	2,765,000	-	-	-	-	-	2,986,400
Net change in fund balances	159,488	26,133	863,428	428,833	-	(106,600)	177,797	27,331	-	1,576,410
Fund balances, beginning	980,027	294,402	2,717,370	952,889	-	109,078	5,389,137	1,766,443	-	12,209,346
Fund balances, ending	\$ 1,139,515	\$ 320,535	\$ 3,580,798	\$ 1,381,722	\$ -	\$ 2,478	\$ 5,566,934	\$ 1,793,774	\$ -	\$ 13,785,756

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

STATE OF NEW MEXICO
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

Schedule 20

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

Children's Trust Fund - Fund 7800 P578

Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Amended</u>		
Revenues				
General fund appropriation	\$ 221,400	\$ 221,400	\$ 221,400	\$ -
Other state funds	155,400	155,400	236,190	80,790
	376,800	376,800	\$ 457,590	\$ 80,790
Total revenues			\$ 457,590	\$ 80,790
 Budgeted fund balance	-	-		
 Total revenues and budgeted fund balance	\$ 376,800	\$ 376,800		
	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Amended</u>	<u>Expenditures</u>	
Expenditures				
Personnel services & benefits	\$ 30,100	\$ 30,100	\$ 30,100	\$ -
Contract services	319,900	319,900	261,285	58,615
Other costs	26,800	26,800	6,717	20,083
Other financing uses	-	-	-	-
	376,800	376,800	298,102	78,698
Total budgeted expenditures	\$ 376,800	\$ 376,800	\$ 298,102	\$ 78,698

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 - Next Generation Fund 94800 P578

Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Amended</u>		
Revenues				
General fund appropriation	\$ -	\$ -	\$ -	\$ -
Other state funds	-	-	26,133	26,133
Total revenues	-	-	26,133	\$ 26,133
Budgeted fund balance	-	-		
Total revenues and budgeted fund balance	\$ -	\$ -		
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Amended</u>	<u>Expenditures</u>	
Expenditures				
Personnel services & benefits	\$ -	\$ -	\$ -	\$ -
Contract services	-	-	-	-
Other costs	-	-	-	-
Other financing uses	-	-	-	-
Total budgeted expenditures	\$ -	\$ -	\$ -	\$ -

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

Day Care Fund - Fund 91100 P782

Year Ended June 30, 2016

Revenues	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Amended		
Other state funds	\$ -	\$ -	\$ 863,428	\$ 863,428
Budgeted fund balance	-	-	-	-
Total revenues and budgeted fund balance	\$ -	\$ -	\$ 863,428	\$ 863,428

Expenditures	Budgeted Amounts		Actual Expenditures	Variance Favorable (Unfavorable)
	Original	Amended		
Other costs	\$ -	\$ -	-	\$ -
Other financing uses	-	-	-	-
Total budgeted expenditures	\$ -	\$ -	\$ -	\$ -

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

Regional Juvenile Services - Fund 20090 P577

Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Amended</u>		Favorable (Unfavorable)
Revenues				
General fund appropriation	\$ 2,765,000	\$ 2,765,000	\$ 2,765,000	\$ -
Federal funds	-	-	-	-
Other state funds	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted revenues	2,765,000	2,765,000	<u>\$ 2,765,000</u>	<u>\$ -</u>
 Budgeted fund balance	 <hr/>	 <hr/>		
	-	400,000		
 Total revenues and budgeted fund balance	 <u>\$ 2,765,000</u>	 <u>\$ 3,165,000</u>		
 Expenditures				
Personnel services & benefits	\$ -	\$ -	\$ -	\$ -
Contract services	2,765,000	3,165,000	2,336,167	828,833
Other costs	-	-	-	-
Other financing uses	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total budgeted expenditures	<u>\$ 2,765,000</u>	<u>\$ 3,165,000</u>	<u>\$ 2,336,167</u>	<u>\$ 828,833</u>

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

Early Childhood Care Fund 11520 P782

Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Amended</u>		
Revenues				
General fund appropriation	\$ -	\$ -	\$ -	\$ -
Federal funds	-	-	-	-
Other state funds	-	-	-	-
Total budgeted revenues	-	-	\$ -	\$ -
Budgeted fund balance		185,793		
Total revenues and budgeted fund balance	\$ -	\$ 185,793		

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Amended</u>		
Expenditures				
Contract services	\$ -	\$ 185,793	\$ 106,600	\$ 79,193
Other costs	-	-	-	-
Other Financing Uses	-	-	-	-
Total budgeted expenditures	\$ -	\$ 185,793	\$ 106,600	\$ 79,193

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

Capital Project Fund 59700

Year Ended June 30, 2016

	<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 26

Schedule of General Fund Components - Balance Sheet - General Funds

June 30, 2016

	06700	06800	48900	49100	83900	84000	84100	
	General Operating	Special Appropriation - Light	FACTS Protective Services	FACTS Child Care Payments	Juvenile Community Corrections	Federal Childcare Food Account	JJDP/Children's Justice	Total General Fund
ASSETS								
State Fund Investment Pool	\$ 9,664,011	\$ 453,337	\$ 128,682	\$ -	\$ 2,924,394	\$ 530,191	\$ 1,634,821	\$ 15,335,436
Cash	60,000	-	-	-	-	-	-	60,000
Accounts receivable, net	14,474,280	-	2,715,770	15,480,014	-	4,426,695	48,664	37,145,423
Due from other funds **	17,510	-	1,616,339	-	-	-	-	1,633,849
Due from other agencies	3,364,905	-	-	-	-	-	-	3,364,905
Supplies inventory	240,117	-	-	-	-	-	-	240,117
Other assets	-	-	-	-	-	-	-	-
Total assets	\$ 27,820,823	\$ 453,337	\$ 4,460,791	\$ 15,480,014	\$ 2,924,394	\$ 4,956,886	\$ 1,683,485	\$ 57,779,730
LIABILITIES AND FUND BALANCE								
Deficit State Fund Investment Pool	\$ -	\$ -	\$ -	\$ 6,877,909	\$ -	\$ -	\$ -	\$ 6,877,909
Accounts payable	13,098,568	-	-	-	236,277	4,216,676	6,010	17,557,531
Accrued payroll	2,140,017	-	-	-	1,056	-	-	2,141,073
Other payroll related liabilities and withholdings	2,249,765	-	-	-	(2,103)	-	-	2,247,662
Other accrued liabilities	228,431	-	4,541,590	8,585,879	-	8,351	-	13,364,251
Due to other funds**	1,616,339	-	1,618	15,892	-	-	-	1,633,849
Due to local governments	30,624	-	-	-	-	-	-	30,624
Due to beneficiaries	85,775	-	-	-	-	-	-	85,775
Due to other agencies	60,985	-	-	-	-	-	-	60,985
Due to state general fund	396,857	-	-	45	-	-	-	396,902
Due to federal government	538,218	-	149,165	289	-	-	1,067	688,739
Unearned revenue	-	-	-	-	-	-	-	-
Total liabilities	20,445,579	-	4,692,373	15,480,014	235,230	4,225,027	7,077	45,085,300
FUND BALANCES								
Nonspendable fund balance - inventory	240,117	-	-	-	-	-	-	240,117
Restricted								
By law or grant	-	453,337	-	-	2,689,164	731,859	1,676,408	5,550,768
Subsequent year's expenditures appropriations	-	-	-	-	-	-	-	-
Committed	7,135,127	-	(231,582)	-	-	-	-	6,903,545
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	7,375,244	453,337	(231,582)	-	2,689,164	731,859	1,676,408	12,694,430
Total liabilities, and deferred inflows of resources and fund balances	\$ 27,820,823	\$ 453,337	\$ 4,460,791	\$ 15,480,014	\$ 2,924,394	\$ 4,956,886	\$ 1,683,485	\$ 57,779,730

*Debit balance is a result of a journal entry recorded by DFA during the cash remediation project. This will be remedied during FY17. The Department was instructed to maintain this balance.

** Balances due to/due from subfunds are eliminated from the General Fund presentation in the balance sheet.

STATE OF NEW MEXICO
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

Schedule 27

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

Year Ended June 30, 2016

	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	
REVENUES								
Federal funds	\$ 63,883,099	\$ -	\$ 26,567,421	\$ 66,643,970	\$ -	\$ 39,641,473	\$ 361,221	\$ 197,097,184
Other state funds	751,290	-	1,643,162	-	-	-	-	2,394,452
Interest	-	-	-	-	-	-	-	-
Miscellaneous revenue	10,827	-	-	-	-	-	-	10,827
Total revenues	64,645,216	-	28,210,583	66,643,970	-	39,641,473	361,221	199,502,463
EXPENDITURES								
Current operating:								
Health and Welfare	233,936,749	-	51,448,084	96,634,370	-	39,579,123	-	421,598,326
Public Safety	-	-	-	-	1,799,696	-	388,899	2,188,595
Capital outlay	250,596	-	-	-	-	-	-	250,596
Total expenditures	234,187,345	-	51,448,084	96,634,370	1,799,696	39,579,123	388,899	424,037,517
Excess (deficiency) of Revenues over expenditures	(169,542,129)	-	(23,237,501)	(29,990,400)	(1,799,696)	62,350	(27,678)	(224,535,054)
OTHER FINANCING SOURCES AND (USES)								
General fund appropriations	168,757,600	-	22,623,300	29,990,400	2,658,600	-	84,600	224,114,500
Special appropriations	2,787,930	-	-	-	-	-	-	2,787,930
Distributions from Land Grant Permanent Fund	1,652,765	697	-	-	-	-	-	1,653,462
Transfers to other State Agencies	-	-	-	-	-	-	-	-
General fund reversions	(96,215)	-	-	-	-	-	-	(96,215)
Total other financing sources and (uses)	173,102,080	697	22,623,300	29,990,400	2,658,600	-	84,600	228,459,677
Net change in fund balances	3,559,951	697	(614,201)	-	858,904	62,350	56,922	3,924,623
Fund balances, beginning of year	3,815,293	452,640	382,619	-	1,830,260	669,509	1,619,486	8,769,807
Fund balances, ending	\$ 7,375,244	\$ 453,337	\$ (231,582)	\$ -	\$ 2,689,164	\$ 731,859	\$ 1,676,408	\$ 12,694,430

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

Agency Funds

June 30, 2016

**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 28

Schedule of Changes in Assets and Liabilities - Agency Funds

Year Ended June 30, 2016

	<u>Balance</u>			<u>Balance</u>
<u>Fund 25500</u>	<u>June 30, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2016</u>
<u>Resident Agency Accounts</u>				
<u>Assets</u>				
Cash	\$ 40,851	\$ 5,798	\$ 12,486	\$ 34,163
<u>Liabilities</u>				
Deposits held for others	\$ 40,851	\$ 5,798	\$ 12,486	\$ 34,163
 <u>Funds 49000/09600</u>				
<u>Children's Social Security</u>				
<u>Agency Funds</u>				
<u>Assets</u>				
State Fund Investment Pool	\$ 669,397	\$ 2,101,902	\$ 2,211,306	\$ 559,993
Due from other agencies	68	-	68	-
Total Assets	<u>\$ 669,465</u>	<u>\$ 2,101,902</u>	<u>\$ 2,211,374</u>	<u>\$ 559,993</u>
<u>Liabilities</u>				
Deposits held for others	\$ 642,811	\$ 2,103,466	\$ 2,186,284	\$ 559,993
Due to other funds	26,654	-	26,654	-
Total Liabilities	<u>\$ 669,465</u>	<u>\$ 2,103,466</u>	<u>\$ 2,212,938</u>	<u>\$ 559,993</u>
 <u>Combined Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 40,851	\$ 5,798	\$ 12,486	\$ 34,163
State Fund Investment Pool	669,397	2,101,902	2,211,306	559,993
Due from other agencies	68	-	68	-
Total assets	<u>\$ 710,316</u>	<u>\$ 2,107,700</u>	<u>\$ 2,223,860</u>	<u>\$ 594,156</u>
<u>Liabilities</u>				
Deposits held for others	\$ 683,662	\$ 2,109,264	\$ 2,198,770	\$ 594,156
Due to other funds	26,654	-	26,654	-
Total Liabilities	<u>\$ 710,316</u>	<u>\$ 2,109,264</u>	<u>\$ 2,225,424</u>	<u>\$ 594,156</u>

STATE OF NEW MEXICO
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

Schedule 29

Schedule of Cash Accounts

Year Ended June 30, 2016

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, 2016
General Fund:									
Wells Fargo Bank	Client Emergency Misc. Expenses	General	06700	Checking	No	\$ 54,324	\$ (75)	\$ 5,751	\$ 60,000
N/A	Petty Cash Closed FY15	General	06700	Petty Cash	-	-	-	-	-
Total General Fund cash						<u>54,324</u>	<u>(75)</u>	<u>5,751</u>	<u>60,000</u>
Fiduciary Funds:									
Bank of America	YDDC - Girls' Resident Trust	Agency	25500	Checking	No	24,972	(2,614)		22,358
Bank of America	YDDC - Girls' Resident Activity	Agency	25500	Checking	No	8,394	(450)	67	8,010
Bank of America	J. Paul Taylor - Resident Trust	Agency	25500	Checking	No	3,880	(563)	-	3,317
Bank of America	J. Paul Taylor - Resident Activity	Agency	25500	Checking	No	450	-	28	478
Total Fiduciary Funds cash						<u>37,696</u>	<u>(3,627)</u>	<u>95</u>	<u>34,163</u>
Total Department cash						<u>\$ 92,020</u>	<u>\$ (3,702)</u>	<u>\$ 5,846</u>	<u>\$ 94,163</u>
General Fund - State Treasurer (with SHARE Fund Numbers)									
State Treasurer	General Operating	General	06700	State Treasurer	No	\$ 9,664,011	\$ -	\$ -	\$ 9,664,011
State Treasurer	Special Appropriation - Light	General	06800	State Treasurer	No	453,337	-	-	453,337
State Treasurer	FACTS Protective Services	General	48900	State Treasurer	No	128,682	-	-	128,682
State Treasurer	FACTS Child Care Payments	General	49100	State Treasurer	No	(6,877,909)	-	-	(6,877,909)
State Treasurer	Juvenile Community Corrections	General	83900	State Treasurer	No	2,924,394	-	-	2,924,394
State Treasurer	Federal Childcare Food	General	84000	State Treasurer	No	530,191	-	-	530,191
State Treasurer	JJDP/Children's Justice	General	84100	State Treasurer	No	1,634,821	-	-	1,634,821
State Treasurer	Children's Trust Fund	Special Revenue	78000	State Treasurer	No	828,262	-	-	828,262
State Treasurer	CTF Next Generation	Special Revenue	94800	State Treasurer	No	3,132	-	-	3,132
State Treasurer	Day Care	Special Revenue	91100	State Treasurer	No	3,580,798	-	-	3,580,798
State Treasurer	Pre-Kindergarten	Special Revenue	20080	State Treasurer	No	9,327,685	-	-	9,327,685
State Treasurer	Regional Juvenile Services	Special Revenue	20090	State Treasurer	No	1,918,834	-	-	1,918,834
State Treasurer	ARRA of 2009	Special Revenue	89000	State Treasurer	No	86	-	-	86
State Treasurer	Darly Childhood Care and Ed	Special Revenue	11520	State Treasurer	No	15,632	-	-	15,632
State Treasurer	Permanent Children's Trust	Special Revenue	78100	State Treasurer	No	1,745,213	-	-	1,745,213
State Treasurer	Permanent CTF Next Generation	Special Revenue	94900	State Treasurer	No	533,642	-	-	533,642
State Treasurer	Capital Projects	Capital Projects	59700	State Treasurer	No	-	-	-	-
State Treasurer	Children's Social Security	Fiduciary	09600/49000	State Treasurer	No	559,993	-	-	559,993
Total State General Fund Investment Pool						<u>\$ 26,970,804</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,970,804</u>

STATE OF NEW MEXICO
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

Schedule 30

Schedule of Special Appropriations

Year Ended June 30, 2016

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 6/30/2016	Actual Cash Received Prior Year	Expenditures 6/30/2016	Expenditures Prior Year	Amount to be Reverted	Appropriation Balance as of 06/30/16	Balance for Subsequent Exp. 06/30/16
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	\$ -	\$ 375,000		\$ 263,527	\$ 111,473	\$ -	\$ -
ZA0542	91624	Laws of 2016, Chapter 11, Section 5, Item 42 For relocation costs related to the child wellness center	250,000	250,000	250,000	-	-	-	-	250,000	250,000
ZA0618	91324	Laws of 2016, Chapter 11, Section 6, Item 18 Care and support of children in custody	892,900	892,900	892,900	-	892,900	-	-	-	-
Z40718	91436	Laws of 2014, Chapter 63, Section 7, Item 18 To implement the statewide human resources, accounting and management assets module. <i>(Appropriation was not spent and Revenue was not collected. CYFD never requested DoIT Certification for the project and due to the development of SHARE 9.2, priorities changed)</i>	150,000	-	-	-	-	-	-	150,000	-
Z80901	916	Laws of 2015, Chapter 101, Section 4, DFA Item 5 (z) Domestic violence prevention shelter	79,800	79,800	79,800	-	79,625	-	-	175	-
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	<u>2,708,500</u>	<u>2,708,500</u>	<u>2,708,500</u>	<u>-</u>	<u>1,914,910</u>	<u>-</u>	<u>-</u>	<u>793,590</u>	<u>793,590</u>
			<u>\$ 4,456,200</u>	<u>\$ 4,306,200</u>	<u>\$ 3,931,200</u>	<u>\$ 375,000</u>	<u>\$ 2,887,435</u>	<u>\$ 263,527</u>	<u>\$ 111,473</u>	<u>\$ 1,193,765</u>	<u>\$ 1,043,590</u>
									* \$ (75,966)	reverted in FY15	
									\$ 35,507	FY 15 Amount to be reverted; refer	

STATE OF NEW MEXICO
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

Schedule of Joint Powers Agreements

June 30, 2016

Agreement Number	Division	Contractor Name	Description of Services	Agreements Begin Date	Agreements End Date	Agreements Total Amount	Audit Responsibility
13-690-00-14804	ECS - Early Childhood Services	UNM Child Care Center	Home Visiting	07/26/13	06/30/17	\$4,234,240.80	CYFD
13-690-00-14805	Protective Services	Administrative Office of the Courts	Time Limited Reunification	06/18/14	06/30/16	\$740,000.00	CYFD
13-690-00-14806	Protective Services	Dona Ana County Headstart-NMSU	Time Limited Reunification	04/03/14	06/30/16	\$249,480.00	CYFD
13-690-00-15212	Protective Services	Pueblo of Zuni Headstart	Domestic Violence	07/01/13	06/30/16	\$46,537.00	CYFD
13-690-00-15244	ECS - Early Childhood Services	UNM Child Care Center	PreK and Child Development	07/26/13	06/30/16	\$7,198,202.00	CYFD
13-690-00-15707	ECS - Early Childhood Services	Luna County Healing House	Home Visiting	09/27/13	06/30/17	\$2,230,300.00	CYFD
14-690-00-15926	ECS - Early Childhood Services	UNM Child Care Center	Home Visiting	07/01/13	06/30/17	\$2,703,016.00	CYFD
14-690-00-15937	ECS - Early Childhood Services	Colfax County	Home Visiting	07/25/13	06/30/17	\$427,125.00	CYFD
14-690-00-15938	ECS - Early Childhood Services	Torrance County Domestic Violence Project	Home Visiting	07/25/13	06/30/17	\$412,000.00	CYFD
14-690-00-15961	ECS - Early Childhood Services	Gila Regional Medical Center	Infant Mental Helath Services - 6th Judicial Disctric	07/01/13	06/30/17	\$536,652.00	CYFD
14-690-00-15978	ECS - Early Childhood Services	Gila Regional Medical Center	Home Visiting	07/01/13	06/30/17	\$821,063.00	CYFD
14-690-00-15982	ECS - Early Childhood Services	UNM Child Care Center	Home Visiting	07/01/13	06/30/17	\$135,000.00	CYFD
14-690-00-15983	ECS - Early Childhood Services	UNM Hospital-Young Children Health Center (YCHC)	Home Visiting	07/23/13	06/30/17	\$875,000.00	CYFD
14-690-00-15992	ECS - Early Childhood Services	UNM Child Care Center	Childcare Inclusion Specialists	07/01/13	06/30/17	\$300,000.00	CYFD
14-690-00-15993	ECS - Early Childhood Services	UNM Child Care Center	Focus	07/26/13	06/30/17	\$4,305,384.00	CYFD
14-690-00-15994	ECS - Early Childhood Services	ENMU-Portales Child Dev Center	TTAPS	07/25/13	06/30/17	\$1,313,698.00	CYFD
14-690-00-15995	ECS - Early Childhood Services	UNM Child Care Center	TTAPS	07/01/13	06/30/17	\$3,207,733.50	CYFD
14-690-00-15996	ECS - Early Childhood Services	WNMU Early Childhood Programs	TTAPS	07/25/13	06/30/17	\$3,752,564.00	CYFD
14-690-00-15997	ECS - Early Childhood Services	UNM Child Care Center	TTAPS	07/01/13	06/30/17	\$3,088,108.02	CYFD
14-690-00-16331	Protective Services	Dona Ana County Headstart-NMSU	CAPTA Agreement for PSD Staff Training	07/01/13	06/30/16	\$240,000.00	CYFD
14-690-00-16416	ECS - Early Childhood Services	City of Albuquerque	PreK and Child Development	08/12/13	06/30/17	\$3,339,000.00	CYFD
14-690-00-16421	ECS - Early Childhood Services	Ohkay Owingeh Department of Education	PreK and Child Development	08/30/13	06/30/17	\$239,000.00	CYFD
14-690-00-16432	ECS - Early Childhood Services	WNMU Early Childhood Programs	PreK and Child Development	07/09/13	06/30/17	\$48,000.00	CYFD
14-690-00-16444	ECS - Early Childhood Services	SFCC- Early Childhood Center	PreK and Child Development	07/09/13	06/30/17	\$240,000.00	CYFD
14-690-00-16505	ECS - Early Childhood Services	Dona Ana County Colonias Development Center	PreK and Child Development	07/10/13	06/30/17	\$122,600.00	CYFD
14-690-00-16576	ECS - Early Childhood Services	UNM Child Care Center	Infant Mental Health	10/08/13	06/30/17	\$600,000.00	CYFD
14-690-00-16624	ECS - Early Childhood Services	UNM Child Care Center	PreK and Child Development	08/12/13	06/30/17	\$979,500.00	CYFD
14-690-00-16632	ECS - Early Childhood Services	UNM - Taos Child Care Center	PreK and Child Development	08/12/13	06/30/17	\$235,000.00	CYFD
14-690-00-16636	ECS - Early Childhood Services	Dona Ana County Headstart-NMSU	PreK and Child Development	08/12/13	06/30/17	\$470,000.00	CYFD
14-690-00-16657	ECS - Early Childhood Services	UNM Child Care Center	Early Childhood Services	10/04/13	12/31/14	\$325,000.00	CYFD
14-690-00-16664	Community Outreach and BH	UNM Child Care Center	Provide Clinical Staffing and Coordination for all Infant Mental Health Teams in New Mexico	09/13/13	06/30/17	\$410,000.00	CYFD
14-690-00-16699	Community Outreach and BH	UNM Child Care Center	Provide Training on Reflective Practice Principles/Strategies to the FOCUS Team, Support Staff in obtaining the Infant Mental Health Endorsement	10/07/13	06/30/17	\$66,000.00	CYFD
14-690-00-16700	ECS - Early Childhood Services	UNM Child Care Center	PreK and Child Development	10/21/13	06/30/17	\$1,808,237.00	CYFD
14-690-00-16755	ECS - Early Childhood Services	Region IX Headstart	Conduct evaluation of federal Home Visiting and community development initiative.	09/26/13	09/30/16	\$443,363.00	CYFD
14-690-00-16767	ECS - Early Childhood Services	UNM Child Care Center	Home Visiting	09/27/13	06/30/17	\$4,557,432.00	CYFD

STATE OF NEW MEXICO
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

Schedule 31

Schedule of Joint Powers Agreements

June 30, 2016

Agreement Number	Division	Contractor Name	Description of Services	Agreements Begin Date	Agreements End Date	Agreements Total Amount	Audit Responsibility
14-690-00-16772	ECS - Early Childhood Services	Region IX Headstart	Support for the implementation of the goals for Race To The Top in the areas of Early Childhood Investment Zones, program evaluation, Infant Mental Health Endorsement, Faculty	10/18/13	06/30/17	\$947,668.00	CYFD
14-690-00-16840	ECS - Early Childhood Services	Region IX Headstart	Infant Mental Health	12/12/13	06/30/17	\$100,000.00	CYFD
14-690-00-16911	ECS - Early Childhood Services	Pueblo of Laguna - Division of Early Childhood	Home Visiting	12/23/13	06/30/17	\$207,832.00	CYFD
14-690-00-17064	ECS - Early Childhood Services	UNM Child Care Center	Phase II-Application for the Race to the Top-Early Learning Challenge Grant	06/16/14	06/30/17	\$2,497,000.00	CYFD
14-690-00-17166	ECS - Early Childhood Services	UNM Child Care Center	Family Child Care Outreach	07/01/14	09/30/16	\$1,508,000.00	CYFD
14-690-00-17167	ECS - Early Childhood Services	UNM Child Care Center	Home Visiting	07/01/14	09/30/16	\$250,000.00	CYFD
14-690-00-17168	ECS - Early Childhood Services	UNM Child Care Center	Project Evaluation	05/12/14	09/30/16	\$800,000.00	CYFD
14-690-00-17301	ECS - Early Childhood Services	Region IX Headstart	PreK and Child Development	04/30/14	06/30/17	\$2,624,820.00	CYFD
15-690-00-17359	Protective Services	ENMU - Portales Child Development Center	Title IV-E Stipends for Social Workers	08/07/14	06/30/17	\$447,927.00	CYFD
15-690-00-17362	Protective Services	WNMU Early Childhood Programs	Title IV-E Stipends for Social Workers	06/16/14	06/30/17	\$391,447.01	CYFD
15-690-00-17368	Protective Services	Dona Ana County Headstart-NMSU	Title IV-E Stipends for Social Workers	06/25/14	06/30/17	\$3,296,602.00	CYFD
15-690-00-17682	ECS - Early Childhood Services	WNMU Early Childhood Programs	PreK and Child Development	08/07/14	06/30/17	\$360,000.00	CYFD
15-690-00-17818	Juvenile Justice Services	UNM Medical Group	Medical Services for JJS clients.	09/02/14	06/30/19	\$984,550.00	CYFD
15-690-00-17831	Protective Services	Navajo Nation Education Department (Headstart)	Investigate all Priority 1 and 2 reports of child abuse and neglect.	08/20/14	06/30/18	\$1,758,108.00	CYFD
15-690-00-17832	Protective Services	Pueblo of Zuni Headstart	Child Protective Services assistance to Zuni Pueblo	08/04/14	06/30/18	\$92,000.00	CYFD
15-690-00-17849	Protective Services	NMHU Early Childhood Multicultural Center	Social Worker Stipend	07/01/14	06/30/17	\$5,652,633.00	CYFD
15-690-00-17865	ECS - Early Childhood Services	UNM Hospital-Young Children Health Center (YCHC)	Home Visiting	09/11/14	06/30/17	\$342,000.00	CYFD
15-690-00-17878	Community Outreach and BH	UNM Child Care Center	Infant Parent Psychotherapy	07/11/14	06/30/18	\$502,000.00	CYFD
15-690-00-17937	Community Outreach and BH	UNM Child Care Center	Training and Professional Development	08/21/14	06/30/18	\$861,884.00	CYFD
15-690-00-18009	Community Outreach and BH	Dona Ana County Headstart-NMSU	SAMHSA Systems Care	10/14/14	06/30/16	\$2,857,758.21	CYFD
15-690-00-18097	ECS - Early Childhood Services	UNM Child Care Center	Home Visiting	10/28/14	09/30/16	\$202,320.00	CYFD
15-690-00-18189	ECS - Early Childhood Services	Horizons of New Mexico	Gathering and Compiling Required Input for Development and Completion of CCDF Plan and Child Care Emergency response	12/05/14	06/30/16	\$32,331.88	CYFD
15-690-00-18298	Community Outreach and BH	UNM Child Care Center	Evaluation For Community of Care Expansion	03/19/15	09/30/19	\$757,508.15	CYFD
15-690-00-18340	ECS - Early Childhood Services	UNM Child Care Center	Maintain NMKids.org Website	03/25/15	06/30/17	\$1,868,571.00	CYFD
15-690-00-18407	Juvenile Justice Services	Pueblo of Isleta	Continuum of Graduated Sanction	05/20/15	03/31/16	\$20,000.00	CYFD
16-690-00-18421	Protective Services	Dona Ana County Headstart-NMSU	Statewide Independent Living	07/01/15	06/30/16	\$45,000.00	CYFD
16-690-00-18426	Juvenile Justice Services	Curry County	Alternative Detention Services	07/20/15	06/30/16	\$77,247.00	CYFD
16-690-00-18427	Juvenile Justice Services	Grant County	Alternative Detention Services	07/08/15	06/30/16	\$73,161.00	CYFD
16-690-00-18429	Juvenile Justice Services	Lea County	Alternative Detention Services	07/08/15	06/30/16	\$91,140.00	CYFD
16-690-00-18430	Juvenile Justice Services	Lincoln County	Alternative Detention Services	09/01/15	06/30/16	\$113,111.00	CYFD
16-690-00-18431	Juvenile Justice Services	Los Alamos County of	Alternative Detention Services	07/20/15	06/30/16	\$198,796.00	CYFD
16-690-00-18432	Juvenile Justice Services	Luna County Healing House	Alternative Detention Services	07/08/15	07/30/16	\$59,720.00	CYFD
16-690-00-18433	Juvenile Justice Services	Mckinley County	Alternative Detention Services	07/10/15	06/30/16	\$160,583.00	CYFD
16-690-00-18434	Juvenile Justice Services	City of Raton	Alternative Detention Services	07/10/15	06/30/16	\$128,418.00	CYFD
16-690-00-18435	Juvenile Justice Services	Rio Arriba County	Alternative Detention Services	07/10/15	06/30/16	\$185,906.00	CYFD

STATE OF NEW MEXICO
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

Schedule 31

Schedule of Joint Powers Agreements

June 30, 2016

Agreement Number	Division	Contractor Name	Description of Services	Agreements Begin Date	Agreements End Date	Agreements Total Amount	Audit Responsibility
16-690-00-18436	Juvenile Justice Services	City Of Santa Fe	Alternative Detention Services	07/13/15	06/30/16	\$183,351.00	CYFD
16-690-00-18439	Juvenile Justice Services	Sandoval County	Alternative Detention Services	07/10/15	06/30/16	\$329,679.00	CYFD
16-690-00-18441	Juvenile Justice Services	Valencia County	Alternative Detention Services	07/10/15	06/30/16	\$164,276.00	CYFD
16-690-00-18442	Juvenile Justice Services	Town of Taos	Alternative Detention Services	07/10/15	06/30/16	\$124,154.00	CYFD
16-690-00-18443	Juvenile Justice Services	Las Vegas, City of	Alternative Detention Services	07/10/15	06/30/16	\$59,380.00	CYFD
16-690-00-18444	Juvenile Justice Services	Chaves County	Alternative Detention Services	07/14/15	06/30/16	\$280,748.00	CYFD
16-690-00-18445	Juvenile Justice Services	City of Las Cruces	Alternative Detention Services	07/14/15	06/30/16	\$314,326.00	CYFD
16-690-00-18468	Community Outreach and BH	Dona Ana County Headstart-NMSU	SAMSHA/CSAT Project	07/10/15	06/30/16	\$411,476.00	CYFD
16-690-00-18483	Juvenile Justice Services	Horizons of New Mexico	Janitorial Services for YDDC	07/01/15	06/30/16	\$23,914.82	CYFD
16-690-00-18503	Juvenile Justice Services	UNM Medical Group	Speciality Clinics	09/30/15	06/30/19	\$707,640.00	CYFD
16-690-00-18979	ECS - Early Childhood Services	City of Albuquerque	NM PreK Basic Services	10/05/15	06/30/19	\$704,000.00	CYFD
16-690-00-18992	ECS - Early Childhood Services	WNMU Early Childhood Programs	Pilot Early PreK Extended Day Services	07/01/15	06/30/19	\$1,553,976.00	CYFD
16-690-00-19010	ECS - Early Childhood Services	Tohajiilee Community School Board of Education	Pilot Early PreK Extended Day Services	07/01/15	06/30/19	\$637,612.00	CYFD
16-690-00-19011	ECS - Early Childhood Services	UNM Child Care Center	Pilot Early PreK Extended Day Services	08/26/15	06/30/19	\$1,024,000.00	CYFD
16-690-00-19012	ECS - Early Childhood Services	UNM Child Care Center	Pilot Early PreK Extended Day Services	08/26/15	06/30/19	\$522,500.00	CYFD
16-690-00-19027	ECS - Early Childhood Services	Tohajiilee Community School Board of Education	PreK Extended Day Services	07/01/15	06/30/19	\$527,992.00	CYFD
16-690-00-19029	ECS - Early Childhood Services	UNM Child Care Center	PreK Extended Day Services	07/01/15	06/30/19	\$1,462,027.20	CYFD
16-690-00-19311	Community Outreach and BH	Dona Ana County Headstart-NMSU	SAMHSA- Communities of Care (COC) Initiative	10/15/15	09/30/18	\$1,183,475.98	CYFD
16-690-00-19312	Community Outreach and BH	Dona Ana County Headstart-NMSU	SAMHSA-NM Healthy Transitions	10/15/15	09/30/19	\$2,935,000.00	CYFD
16-690-00-19445	ECS - Early Childhood Services	UNM Child Care Center	Home Visiting	01/14/16	09/30/17	\$150,000.00	CYFD
16-690-00-19446	ECS - Early Childhood Services	Region IX Headstart	Home Visiting	12/02/15	06/30/17	\$6,835,039.00	CYFD
16-690-00-19463	ECS - Early Childhood Services	Dona Ana County Headstart-NMSU	Early Childhood Services	12/30/15	09/30/17	\$487,170.00	CYFD
16-690-00-19497	Juvenile Justice Services	Rio Arriba County	Community Corrections	01/14/16	06/30/16	\$40,000.00	CYFD
16-690-00-19498	Juvenile Justice Services	San Juan county	Community Corrections	01/14/16	06/30/16	\$30,000.00	CYFD
16-690-00-19521	ECS - Early Childhood Services	UNM Child Care Center	Head Start Collaboration Needs Assessment	02/04/16	06/30/16	\$12,000.00	CYFD
16-690-00-19522	Community Outreach and BH	UNM Child Care Center	AWARE Project	03/03/16	09/30/18	\$147,122.00	CYFD
16-690-00-19526	Protective Services	Dona Ana County Headstart-NMSU	Children's Justice Act	01/19/16	06/30/16	\$48,730.00	CYFD
16-690-00-19540	ECS - Early Childhood Services	UNM Child Care Center	Child Care Data and Reporting	02/04/16	12/31/16	\$340,000.00	CYFD
16-690-00-19541	ECS - Early Childhood Services	UNM Child Care Center	Child Care Quality and Outcomes Report	02/04/16	01/31/17	\$60,000.00	CYFD
16-690-00-19547	ECS - Early Childhood Services	Southwest Council of Governments	Statewide Community-Based Imagination Library Program	03/01/16	06/30/19	\$400,000.00	CYFD

State of New Mexico Children, Youth and Families Department
SCHEDULE OF VENDOR INFORMATION for Purchases Exceeding \$60,000 (excluding GRT) - Unaudited
For the Year Ended June 30, 2016

Agency Number	Agency Name	Agency Type	RFB#/RFP# (if applicable)	Type of Procurement	Vendor Name	Did Vendor Win Contract?	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Physical address of vendor (City, State)	Did the Vendor provide documentation of eligibility for in-state preference?	Did the Vendor provide documentation of eligibility for veterans' preference?	Brief Description of the Scope of Work	If the procurement is attributable to a Component Unit, Name of Component Unit
69000	Children, Youth & Families Department	State Agency	14-690-00-11550	Competitive RFP	Clifton Larson Allen, LLC	Y	\$ 155,970.00	\$ 155,970.00	500 Marquette, Suite 800, Albuquerque, NM 87102	Y	N	Financial Audit	
69000	Children, Youth & Families Department	State Agency	14-690-00-11550	Competitive RFP	Moss Adams	N			6565 Americas Pkwy #600, Albuquerque, NM 87110	Y	N	Financial Audit	
69000	Children, Youth & Families Department	State Agency	14-690-00-11550	Competitive RFP	Barrachough & Associates	N			422 Paseo de Peralta, Santa Fe, NM 87504	Y	N	Financial Audit	
69000	Children, Youth & Families Department	State Agency	15-690-50-12050	Competitive RFP	Heading Home	Y	\$ 200,000.00	\$ 1,100,000.00	999 W Amador, Las Cruces, NM 88005	Y	N	Support Services-Valencia Cnty	
69000	Children, Youth & Families Department	State Agency	15-690-50-12163	Competitive RFP	NM Coalition Against Domestic Violence	Y	\$ 535,000.00	\$ 535,000.00	1000 Cordova Place #52, Santa Fe, NM 87505	Y	N	Domestic Violence Services	
69000	Children, Youth & Families Department	State Agency	15-690-60-12056	Competitive RFP	La Solana Del Valle Child Care	Y	\$ 1,920,000.00		3001 Trellis N.W., Albuquerque, NM 87107	Y	N	Forensic Interviews	
69000	Children, Youth & Families Department	State Agency	15-690-60-12056	Competitive RFP	Cavern City Child Advocacy Center	Y	\$ 31,120.50	\$ 88,879.50	PO BOX 1441, Carlsbad, NM 88221	Y	N	Forensic Interviews	
69000	Children, Youth & Families Department	State Agency	15-690-60-12056	Competitive RFP	La Pinon Sexual Assault Recovery Services of Southern New Mexico	Y	\$ 114,162.00	\$ 150,000.00	525 S. Melendres, Las Cruces, NM 88005	Y	N	Forensic Interviews	
69000	Children, Youth & Families Department	State Agency	15-690-60-12056	Competitive RFP	Solace Crisis Treatment Center (formerly SF Rape Crisis)	Y	\$ 542,614.00	\$ (44,614.00)	6601 Valentine Way Santa Fe, NM 87507	Y	N	Forensic Interviews	
69000	Children, Youth & Families Department	State Agency	15-690-60-12056	Competitive RFP	Community Against Violence, Womens Shelter	Y	\$ 513,515.50	\$ (213,515.50)	945 Salazar Road, Taos, NM 87571	Y	N	Forensic Interviews	
69000	Children, Youth & Families Department	State Agency	15-690-60-12056	Competitive RFP	Childhaven Inc.	Y	\$ 616,356.00	\$ (56,356.00)	807 West Apache, Farmington, NM 87401	Y	N	Forensic Interviews	
69000	Children, Youth & Families Department	State Agency	15-690-60-12056	Competitive RFP	FYI	Y	\$ 117,555.50	\$ 2,444.50	PO Box 1868, Las Curces, NM 88004	Y	N	Forensic Interviews	
69000	Children, Youth & Families Department	State Agency	15-690-60-12056	Competitive RFP	Chaves County CASA Program	Y	\$ 55,314.50	\$ 100,000.00	PO Box 2131, Roswell, NM 88202	Y	N	Forensic Interviews	
69000	Children, Youth & Families Department	State Agency	15-690-60-12056	Competitive RFP	La Frontera New Mexico	N			100 W. Griggs Avenue, Las Cruces, NM 88001			Forensic Interviews	
69000	Children, Youth & Families Department	State Agency	15-690-80-12055	Competitive RFP	Acro Incorporated	Y	\$ 281,232.00		8201 Golf Course Rd, D-3 Suite 119, Albuquerque, NM 87120	Y	N	EPICS - BA	
69000	Children, Youth & Families Department	State Agency	15-690-80-12055	Competitive RFP	Acro Incorporated	Y	\$ 143,640.00		8201 Golf Course Rd, D-3 Suite 119, Albuquerque, NM 87120	Y	N	EPICS	
69000	Children, Youth & Families Department	State Agency	15-690-80-12055	Competitive RFP	Acro Incorporated	Y	\$ 211,764.00		8201 Golf Course Rd, D-3 Suite 119 ABQ NM 87120	Y	N	EPICS	
69000	Children, Youth & Families Department	State Agency	15-690-80-12055	Competitive RFP	TEKsystems	Y	\$ 1,253,508.00	\$ (142,202.00)	2155 Louisiana Blvd. NE Suite 7000, Albuquerque, NM 87110	Y	N	EPICS - Web Development	
69000	Children, Youth & Families Department	State Agency	15-690-80-12055	Competitive RFP	Acro Incorporated	Y	\$ 143,640.00		8201 Golf Course Rd, D-3, Suite 119, Albuquerque, NM 87120	Y	N	EPICS	

State of New Mexico Children, Youth and Families Department
SCHEDULE OF VENDOR INFORMATION for Purchases Exceeding \$60,000 (excluding GRT) - Unaudited
For the Year Ended June 30, 2016

Agency Number	Agency Name	Agency Type	RFBH/RFP# (if applicable)	Type of Procurement	Vendor Name	Did Vendor Win Contract?	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Physical address of vendor (City, State)	Did the Vendor provide documentation of eligibility for in-state preference?	Did the Vendor provide documentation of eligibility for veterans' preference?	Brief Description of the Scope of Work	If the procurement is attributable to a Component Unit, Name of Component Unit
69000	Children, Youth & Families Department	State Agency	16-690-15-12036	Competitive RFP	A NEW DAY INC.	Y	\$ 3,120,000.00	\$ (320,000.00)	1330 San Pedro, N.E., Suite 2, Albuquerque, NM 87110	Y	N	Shelter Care	
69000	Children, Youth & Families Department	State Agency	16-690-15-12036	Competitive RFP	Childhaven Inc.	Y	\$ 3,800,000.00	\$ (1,600,000.00)	807 West Apache, Farmington, NM 87401	Y	N	Shelter Care	
69000	Children, Youth & Families Department	State Agency	16-690-15-12036	Competitive RFP	Guidance Center of Lea County	Y	\$ 3,480,000.00	\$ (1,600,000.00)	3821 W. College Lane, Hobbs, NM 88242	Y	N	Shelter Care	
69000	Children, Youth & Families Department	State Agency	16-690-15-12036	Competitive RFP	Youth Shelters & Family Services, Inc.	Y	\$ 1,360,000.00	\$ 40,000.00	PO Box 28279, Santa Fe, NM 87592	Y	N	Shelter Care	
69000	Children, Youth & Families Department	State Agency	16-690-15-12036	Competitive RFP	Youth Development Inc.	Y	\$ 2,360,000.00	\$ (160,000.00)	428 S. Los Lentos, Los Lunas, NM 87031	Y	N	Shelter Care	
69000	Children, Youth & Families Department	State Agency	16-690-15-12036	Competitive RFP	The Dream Tree Project	Y	\$ 760,000.00	\$ 140,000.00	128 La Posta Road, Taos, NM 87571	Y	N	Shelter Care	
69000	Children, Youth & Families Department	State Agency	16-690-15-12130	Competitive RFP	Accountable Healthcare Staffing Inc.	Y	\$ 500,000.00	\$ 700,000.00	901 Rio Grande Blvd. N.E., Suite F-146, Albuquerque, NM 87104	N	N	Temporary Medical Services	
69000	Children, Youth & Families Department	State Agency	16-690-15-12130	Competitive RFP	Medical Staffing Network, Inc	Y	\$ 400,000.00		924 Park Avenue S.W., Suite C, Albuquerque, NM 87107	N	N	Temporary Medical Services	
69000	Children, Youth & Families Department	State Agency	16-690-15-12130	Competitive RFP	Maxim Staffing Solutions	Y	\$ 400,000.00	\$ 800,000.00	12558 Collections Center Drive, Chicago, ILL 60693	N	N	Temporary Medical Services	
69000	Children, Youth & Families Department	State Agency	16-690-15-12130	Competitive RFP	Mira Consulting	Y	\$ 626,400.00		4100 Hawkins N.E. Suite A, Albuquerque, NM 87107	N	N	Temporary Medical Services	
69000	Children, Youth & Families Department	State Agency	16-690-15-12130	Competitive RFP	ACC Health, LLC	N			901 Lambertson Pl. N.E. Suite W, Albuquerque, NM 87107	N	N	Temporary Medical Services	
69000	Children, Youth & Families Department	State Agency	16-690-15-12131	Competitive RFP	Johnny Holguin	Y	\$ 72,000.00		615 Holguin Rd., Vadito, NM 88072	Y	N	ECS Investigative Services	
69000	Children, Youth & Families Department	State Agency	16-690-15-12131	Competitive RFP	Mesilla Valley Private Investigations	Y	\$ 80,000.00	\$ 76,000.00	3394 Wesley, Las Cruces NM 88012	Y	N	ECS Investigative Services	
69000	Children, Youth & Families Department	State Agency	16-690-15-12131	Competitive RFP	RG Investigations	Y	\$ 100,000.00		PO Box 45662, Rio Rancho, NM 87124	Y	N	ECS Investigative Services	
69000	Children, Youth & Families Department	State Agency	16-690-15-12134	Competitive RFP	Acument Fiscal Agent LLC	Y	\$ 1,248,400.00	\$ (6,500.00)	4542 E. Inverness Ave., Suite 210, Mesa, AZ 85206	N	N	Fiscal Agent	
69000	Children, Youth & Families Department	State Agency	16-690-15-12134	Competitive RFP	NM Direct Personal Care, LLC.	N			3311 Candelaria N.E., Albuquerque, NM 87107	N	N	Fiscal Agent	
69000	Children, Youth & Families Department	State Agency	16-690-15-12165	Competitive RFP	Coalition to Stop Violence Against Native Women	Y	\$ 400,000.00		2401 12th St. N.W., Suite 201 N, Albuquerque, NM 87104	N	N	Native American Domestic Violence	
69000	Children, Youth & Families Department	State Agency	16-690-15-12194	Competitive RFP	Amistad Family Services Inc.	Y	\$ 500,000.00	\$ 51,000.00	3050 N. Roadrunner Pkwy. Suite A, Las Cruces, NM 88011	N	N	Infant Mental Health 3rd Judicial District	

State of New Mexico Children, Youth and Families Department
SCHEDULE OF VENDOR INFORMATION for Purchases Exceeding \$60,000 (excluding GRT) - Unaudited
For the Year Ended June 30, 2016

Agency Number	Agency Name	Agency Type	RFBH/RFP# (if applicable)	Type of Procurement	Vendor Name	Did Vendor Win Contract?	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Physical address of vendor (City, State)	Did the Vendor provide documentation of eligibility for in-state preference?	Did the Vendor provide documentation of eligibility for veterans' preference?	Brief Description of the Scope of Work	If the procurement is attributable to a Component Unit, Name of Component Unit
69000	Children, Youth & Families Department	State Agency	16-690-15-12194	Competitive RFP	Aprendamos Intervention Team	N			301 Perkins ,Suite B, Las Cruces, NM 88005	N	N	Infant Mental Health 3rd Judicial District	
69000	Children, Youth & Families Department	State Agency	16-690-15-12214	Competitive RFP	Northwest NM First Born Program	Y	\$ 1,200,000.00	\$ (150,000.00)	108 N. Behrend Ave. Suite H, Farmington, NM 87401	N	N	Home Visiting	
69000	Children, Youth & Families Department	State Agency	16-690-15-12214	Competitive RFP	Southwest Pueblo Consultants & Counseling Services	Y	\$ 240,000.00	\$ (30,000.00)	5020 San Pedro CT. N.E., Albuquerque, NM 87109	N	N	Home Visiting	
69000	Children, Youth & Families Department	State Agency	16-690-15-12214	Competitive RFP	Avenues Early Childhood Services Inc.	Y	\$ 400,000.00	\$ (50,000.00)	PO Box 4625, Gallup NM, 87305	N	N	Home Visiting	
69000	Children, Youth & Families Department	State Agency	16-690-15-12214	Competitive RFP	Presbyterian Health Care Services	Y	\$ 706,000.00	\$ (88,250.00)	PO Box 26666, PH 57, Albuquerque, NM 87125	N	N	Home Visiting	
69000	Children, Youth & Families Department	State Agency	16-690-15-12214	Competitive RFP	Torrance County Domestic Violence Project	Y	\$ 512,000.00	\$ (64,000.00)	PO Box 48, Estancia, NM 87016	N	N	Home Visiting	
69000	Children, Youth & Families Department	State Agency	16-690-15-12214	Competitive RFP	United Way of Santa Fe County	Y	\$ 1,043,000.00	\$ (130,375.00)	440 Cerrillos RD. Suite A, Santa Fe ,NM 87501	N	N	Home Visiting	
69000	Children, Youth & Families Department	State Agency	16-690-15-12214	Competitive RFP	Las Cumbres Community Services, Inc.	Y	\$ 486,000.00	\$ (60,750.00)	PO BOX 1362, Espanola, NM 87532	N	N	Home Visiting	
69000	Children, Youth & Families Department	State Agency	16-690-15-12214	Competitive RFP	Appletree Child Development Center	Y	\$ 408,000.00	\$ (51,000.00)	1300 S. Broadway, T or C, NM 87901	N	N	Home Visiting	
69000	Children, Youth & Families Department	State Agency	16-690-15-12214	Competitive RFP	Gila Regional Medical Center	Y	\$ 818,000.00	\$ (102,250.00)	1313 E. 32nd Street, Silver City, NM 88061	N	N	Home Visiting	
69000	Children, Youth & Families Department	State Agency	16-690-15-12214	Competitive RFP	Ben Archer Health Center	Y	\$ 1,128,000.00	\$ (141,000.00)	PO Box 370, Hatch, NM 87937	N	N	Home Visiting	
69000	Children, Youth & Families Department	State Agency	16-690-15-12214	Competitive RFP	La Clinica De Familia Early Headstart	Y	\$ 1,478,000.00	\$ (184,750.00)	385 Calle De Alegria Bldg. A, Las Cruces, NM 88005	N	N	Home Visiting	
69000	Children, Youth & Families Department	State Agency	16-690-15-12214	Competitive RFP	ENMRSH Inc.	Y	\$ 520,000.00	\$ (65,000.00)	PO Box 1989, Clovis, NM 88101	N	N	Home Visiting	
69000	Children, Youth & Families Department	State Agency	16-690-15-12214	Competitive RFP	Youth Development Inc.	Y	\$ 264,000.00	\$ (33,000.00)	428 S. Los Lentos, Los Lunas, NM 87031	N	N	Home Visiting	
69000	Children, Youth & Families Department	State Agency	16-690-15-12535	Competitive RFP	Las Cumbres Community Services, Inc.	Y	\$ 159,209.00	\$ (41,377.65)	PO Box 1362, Espanola, NM 87532	Y	N	Family Navigation and Education Services	
69000	Children, Youth & Families Department	State Agency	16-690-15-12535	Competitive RFP	Chaves County CASA Program	Y	\$ 76,663.00	\$ (21,886.42)	PO Box 2131, Roswell, NM 88202	Y	N	Family Navigation and Education Services	
69000	Children, Youth & Families Department	State Agency	16-690-15-12535	Competitive RFP	FYI	Y	\$ 115,104.00	\$ (16,014.00)	PO Box 1868, Las Cruces, NM 88004	Y	N	Family Navigation and Education Services	
69000	Children, Youth & Families Department	State Agency	16-690-15-12535	Competitive RFP	Brain Injury Association of New Mexico	Y	\$ 253,349.00	\$ (52,540.03)	3234 Candalaria N.E., Albuquerque, NM 87107	Y	N	Family Navigation and Education Services	
69000	Children, Youth & Families Department	State Agency	16-690-15-12535	Competitive RFP	Kids in Need of Supportive Services	N			2340 Highway 180 E. #280, Silver City, NM 88061	Y	N	Family Navigation and Education Services	
69000	Children, Youth & Families Department	State Agency	16-690-15-13088	Competitive RFP	La Familia - Namaste	Y	\$ 480,000.00		2400 Wellesley DR. N.E., Albuquerque, NM 87107	Y	N	Foster Parent Support Services	
69000	Children, Youth & Families Department	State Agency	16-690-50-12164	Competitive RFP	New Mexico Legal Aid	Y	\$ 1,721,500.00		300 N. Downtown Mall, Las Cruces, NM 88001	Y	N	Civil Legal Services for Victims of Domestic Violence	

State of New Mexico Children, Youth and Families Department
 SCHEDULE OF VENDOR INFORMATION for Purchases Exceeding \$60,000 (excluding GRT) - Unaudited
 For the Year Ended June 30, 2016

Agency Number	Agency Name	Agency Type	RFB#/RFP# (If applicable)	Type of Procurement	Vendor Name	Did Vendor Win Contract?	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Physical address of vendor (City, State)	Did the Vendor provide documentation of eligibility for in-state preference?	Did the Vendor provide documentation of eligibility for veterans' preference?	Brief Description of the Scope of Work	If the procurement is attributable to a Component Unit, Name of Component Unit
69000	Children, Youth & Families Department	State Agency	40-690-15-11472	Competitive RFP	Kids in Need of Supportive Services	Y	\$ 202,170.00	\$ (9,114.00)	2340 Highway 180 E. #280, Silver City, NM 88061	N	N	In-Home Family Support Services	
69000	Children, Youth & Families Department	State Agency	40-690-15-11472	Competitive RFP	CHINS, Inc.	Y	\$ 139,723.00	\$ (9,598.00)	301 Texas Avenue, Alamogordo, NM 88310	N	N	In-Home Family Support Services	
69000	Children, Youth & Families Department	State Agency	40-690-15-11472	Competitive RFP	Guidance Center of Lea County	Y	\$ 202,820.00	\$ (5,896.00)	3821 W. College Lane, Hobbs, NM 88242	N	N	In-Home Family Support Services/Family Support Services	
69000	Children, Youth & Families Department	State Agency	40-690-15-11472	Competitive RFP	Turquoise Health & Wellness, Inc.	Y	\$ 182,029.00		PO Box 663, Tucumcari, NM 88401	N	N	Family Support Services	
69000	Children, Youth & Families Department	State Agency	40-690-15-11472	Competitive RFP	Inner Guidance dba Healing Center, LLC.	N			2322 Wisconsin St. N.E., Suite 207, Albuquerque, NM 87110	N	N	In-Home Family Support Services/Family Support Services	
69000	Children, Youth & Families Department	State Agency	40-690-15-11472	Competitive RFP	Taos Health Systems, Kids First	N			118 Este Rd, Suite F, Taos, NM 87571	N	N	Family Support Services	
69000	Children, Youth & Families Department	State Agency	40-690-15-11472	Competitive RFP	Torrance County Counseling	N			P. O. Box 1978, Moriarty, NM 88035	N	N	In-Home Family Support Services/Family Support Services	
69000	Children, Youth & Families Department	State Agency	40-690-15-11472	Competitive RFP	La Familia - Namaste	N			2400 Wellesley DR. N.E., Albuquerque, NM 87107	N	N	In-Home Family Support Services/Family Support Services	
69000	Children, Youth & Families Department	State Agency	40-690-15-11472	Competitive RFP	Kids Counseling Inc.	N			2528 Ridge Runner, Las Vegas, NM 87701	N	N	In-Home Family Support Services	
69000	Children, Youth & Families Department	State Agency	40-690-15-11645	Competitive RFP	Amanda Trujillo-Gonzales	Y	\$ 30,000.00	\$ 7,500.00	P.O. BOX 218, El Rito, NM 87530	N	N	Parent Infant Psychotherapy	
69000	Children, Youth & Families Department	State Agency	40-690-15-11645	Competitive RFP	Amistad Family Services Inc.	Y	\$ 282,000.00		3050 N. Roadrunner Pkwy., Suite A, Las Cruces, NM 88011	N	N	Parent Infant Psychotherapy	
69000	Children, Youth & Families Department	State Agency	40-690-15-11645	Competitive RFP	Aprendamos Intervention Team	Y	\$ 60,000.00		301 Perkins, Suite B, Las Cruces, NM 88005	N	N	Parent Infant Psychotherapy	
69000	Children, Youth & Families Department	State Agency	40-690-15-11645	Competitive RFP	Early Childhood Mental Health Consultation and Training	Y	\$ 26,000.00	\$ (18,000.00)	222 E. Marcy St., Suite 9, Santa Fe, NM 87501	N	N	Parent Infant Psychotherapy	
69000	Children, Youth & Families Department	State Agency	40-690-15-11645	Competitive RFP	Guidance Center of Lea County	Y	\$ 200,000.00	\$ (10,000.00)	3821 W. College Lane, Hobbs, NM 88242	N	N	Parent Infant Psychotherapy	
69000	Children, Youth & Families Department	State Agency	40-690-15-11645	Competitive RFP	Las Cumbres Community Services, Inc.	Y	\$ 240,000.00	\$ (7,500.00)	PO BOX 1362, Espanola, NM 87532	N	N	Parent Infant Psychotherapy	
69000	Children, Youth & Families Department	State Agency	40-690-15-11645	Competitive RFP	San Juan College Child & Family Development Center	Y	\$ 260,000.00		4601 College Blvd., Farmington, NM 87402	N	N	Parent Infant Psychotherapy	
69000	Children, Youth & Families Department	State Agency	40-690-15-11645	Competitive RFP	WNMU Early Childhood Programs	Y	\$ 200,000.00	\$ (25,000.00)	PO Box 680, Silver City, NM 88062	N	N	Parent Infant Psychotherapy	
69000	Children, Youth & Families Department	State Agency	40-690-15-11645	Competitive RFP	CHINS, Inc.	Y	\$ 200,000.00	\$ (12,000.00)	301 Texas Avenue, Alamogordo, NM 88310	N	N	Parent Infant Psychotherapy	

State of New Mexico Children, Youth and Families Department
SCHEDULE OF VENDOR INFORMATION for Purchases Exceeding \$60,000 (excluding GRT) - Unaudited
For the Year Ended June 30, 2016

Agency Number	Agency Name	Agency Type	RFBH/RFP# (if applicable)	Type of Procurement	Vendor Name	Did Vendor Win Contract?	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Physical address of vendor (City, State)	Did the Vendor provide documentation of eligibility for in-state preference?	Did the Vendor provide documentation of eligibility for veterans' preference?	Brief Description of the Scope of Work	If the procurement is attributable to a Component Unit, Name of Component Unit
69000	Children, Youth & Families Department	State Agency	40-690-15-11645	Competitive RFP	UNM Child Center	Y	\$ 372,000.00	\$ 130,000.00	MSC07 4020 University of New Mexico, Albuquerque, NM 87131	N	N	Parent Infant Psychotherapy	
69000	Children, Youth & Families Department	State Agency	40-690-15-11645	Competitive RFP	Kathleen Benecke	Y	\$ 30,000.00		805 Early St., Suite B-104 #D, Santa Fe, NM 87505	N	N	Parent Infant Psychotherapy	
69000	Children, Youth & Families Department	State Agency	40-690-15-11645	Competitive RFP	Samaritan Counseling Center	N			1101 Medical Arts Ave., Bldg. 3, Albuquerque, NM 87102	N	N	Parent Infant Psychotherapy	
69000	Children, Youth & Families Department	State Agency	50-690-14-12038	Competitive RFP	Youth Development Inc.	Y	\$ 632,500.00	\$ (260,473.60)	428 S. Los Lentos, Los Lunas, NM 87031	N	N	I-HS, FSS, TLR Valencia County	
69000	Children, Youth & Families Department	State Agency	50-690-14-12038	Competitive RFP	Imperial Services Corp.	N			PO Box 66317, Albuquerque, NM 87193	N	N	I-HS, FSS, TLR Valencia County	
69000	Children, Youth & Families Department	State Agency	50-690-15-11761	Competitive RFP	Guidance Center of Lea County	Y	\$ 100,000.00	\$ 150,000.00	3821 W. College Lane, Hobbs NM 88242	N	N	Housing & Behavioral Health Services	
69000	Children, Youth & Families Department	State Agency	50-690-15-11761	Competitive RFP	NM Family Services	N			3465 McNutt Rd., Sunland Park, NM 88063	N	N	Housing & Behavioral Health Services	
69000	Children, Youth & Families Department	State Agency	50-690-15-11850	Competitive RFP	Supportive Housing Coalition of New Mexico	Y	\$ 682,000.00	\$ (30,000.00)	PO Box 27450, Albuquerque, NM 87125	N	N	Supportive Housing	
69000	Children, Youth & Families Department	State Agency	50-690-15-12532	Competitive RFP	PB & J Family Services Inc.	Y	\$ 403,051.00	\$ (13,244.00)	1101 Lopez Rd. S.W., Albuquerque, NM 87105	N	N	Family Support Services Community Based Child Abuse Prevention	
69000	Children, Youth & Families Department	State Agency	50-690-15-12532	Competitive RFP	Aprendamos Intervention Team	Y	\$ 410,339.20	\$ (25,402.00)	301 Perkins, Suite B, Las Cruces, NM 88005	N	N	Family Support Services Community Based Child Abuse Prevention	
69000	Children, Youth & Families Department	State Agency	50-690-15-12532	Competitive RFP	Las Cumbres Community Services, Inc.	Y	\$ 409,807.80	\$ (26,744.00)	PO BOX 1362, Espanola, NM 87532	N	N	Family Support Services Community Based Child Abuse Prevention	
69000	Children, Youth & Families Department	State Agency	50-690-15-12532	Competitive RFP	All Faiths	N			1709 Moon St., N.E., Albuquerque, NM 87112	N	N	Family Support Services Community Based Child Abuse Prevention	
69000	Children, Youth & Families Department	State Agency	50-690-15-12532	Competitive RFP	Amistad Family Services Inc.	N			3050 N. Roadrunner Pkwy., Suite A, Las Cruces, NM 88011	N	N	Family Support Services Community Based Child Abuse Prevention	
69000	Children, Youth & Families Department	State Agency	50-690-15-12532	Competitive RFP	Service Organization for Youth	N			PO Box 1165, Raton, NM 87740	N	N	Family Support Services Community Based Child Abuse Prevention	
69000	Children, Youth & Families Department	State Agency	50-690-15-12532	Competitive RFP	Chaves County CASA Program	N			PO Box 2131, Roswell, NM 88202	N	N	Family Support Services Community Based Child Abuse Prevention	

State of New Mexico Children, Youth and Families Department
 SCHEDULE OF VENDOR INFORMATION for Purchases Exceeding \$60,000 (excluding GRT) - Unaudited
 For the Year Ended June 30, 2016

Agency Number	Agency Name	Agency Type	RFB#/RFP# (if applicable)	Type of Procurement	Vendor Name	Did Vendor Win Contract?	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Physical address of vendor (City, State)	Did the Vendor provide documentation of eligibility for in-state preference?	Did the Vendor provide documentation of eligibility for veterans' preference?	Brief Description of the Scope of Work	If the procurement is attributable to a Component Unit, Name of Component Unit
69000	Children, Youth & Families Department	State Agency	50-690-15-12532	Competitive RFP	Kids in Need of Supportive Services	N			2340 Highway 180 E. #280, Silver City, NM 88061	N	N	Family Support Services Community Based Child Abuse Prevention	
69000	Children, Youth & Families Department	State Agency	40-000-14-00106DH	Price Agreement	TEKsystems		\$ 97,519.77		2155 Louisiana Blvd., N.E. Suite 7000, Albuquerque, NM 87110	N	N	IT System Admin	
69000	Children, Youth & Families Department	State Agency	40-000-14-00106DH	Price Agreement	TEKsystems	Y	\$ 130,026.36		2155 Louisiana Blvd., N.E. Suite 7000, Albuquerque, NM 87110	Y	N	Desktop Support	
69000	Children, Youth & Families Department	State Agency	40-000-14-00106DH	Price Agreement	TEKsystems	Y	\$ 153,095.52		2155 Louisiana Blvd., N.E. Suite 7000, Albuquerque, NM 87110	Y	N	Web Infrastructure Support	
69000	Children, Youth & Families Department	State Agency	40-000-14-00106DH	Price Agreement	TEKsystems	Y	\$ 67,110.24		2155 Louisiana Blvd., N.E. Suite 7000, Albuquerque, NM 87110	Y	N	Helpdesk Support	
69000	Children, Youth & Families Department	State Agency	40-000-14-00106AE	Price Agreement	Acro Incorporated	Y	\$ 79,001.20		8201 Golf Course Rd., D-3 Suite 119, Albuquerque, NM 87120	Y	N	Desktop Support	
69000	Children, Youth & Families Department	State Agency	40-000-14-00106AE	Price Agreement	Acro Incorporated	Y	\$ 60,740.40		8201 Golf Course Rd., D-3 Suite 119, Albuquerque, NM 87120	Y	N	Help Desk Support	
69000	Children, Youth & Families Department	State Agency	40-000-14-00106AE	Price Agreement	Acro Incorporated	Y	\$ 151,943.40		8201 Golf Course Rd., D-3 Suite 119, Albuquerque, NM 87120	Y	N	Project Management	
69000	Children, Youth & Families Department	State Agency	40-000-14-00106AE	Price Agreement	Acro Incorporated	Y	\$ 144,000.00		8201 Golf Course Rd., D-3 Suite 119, Albuquerque, NM 87120	Y	N	FACTS	
69000	Children, Youth & Families Department	State Agency	40-000-14-00106AE	Price Agreement	Acro Incorporated	Y	\$ 80,556.00		8201 Golf Course Rd., D-3 Suite 119, Albuquerque, NM 87120	Y	N	FACTS-Cobol	
69000	Children, Youth & Families Department	State Agency	40-000-14-00106DH	Price Agreement	TEKsystems	Y	\$ 167,760.00		2155 Louisiana Blvd., N.E. Suite 7000, Albuquerque, NM 87110	Y	N	IT Project Manager	
69000	Children, Youth & Families Department	State Agency	40-000-14-00106AE	Price Agreement	Acro Incorporated	Y	\$ 113,957.55		8201 Golf Course Rd., D-3 Suite 119, Albuquerque, NM 87120	Y	N	Project mgmt. to business support for planning research and documentation services	
69000	Children, Youth & Families Department	State Agency	40-000-14-00106AE	Price Agreement	Acro Incorporated	Y	\$ 30,370.20		8201 Golf Course Rd., D-3 Suite 119, Albuquerque, NM 87120	Y	N	Help Desk Support Level I	

State of New Mexico Children, Youth and Families Department
SCHEDULE OF VENDOR INFORMATION for Purchases Exceeding \$60,000 (excluding GRT) - Unaudited
For the Year Ended June 30, 2016

Agency Number	Agency Name	Agency Type	RFB#/RFP# (if applicable)	Type of Procurement	Vendor Name	Did Vendor Win Contract?	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Physical address of vendor (City, State)	Did the Vendor provide documentation of eligibility for in-state preference?	Did the Vendor provide documentation of eligibility for veterans' preference?	Brief Description of the Scope of Work	If the procurement is attributable to a Component Unit, Name of Component Unit
69000	Children, Youth & Families Department	State Agency	40-000-14-00106AE	Price Agreement	Acro Incorporated	Y	\$ 108,000.00		8201 Golf Course Rd., D-3 Suite 119, Albuquerque, NM 87120	Y	N	FACTS Production Support & Research Services	
69000	Children, Youth & Families Department	State Agency	40-000-14-00106AE	Price Agreement	Acro Incorporated	Y	\$ 39,500.64		8201 Golf Course Rd., D-3 Suite 119, Albuquerque, NM 87120	Y	N	Help Desk Support	
69000	Children, Youth & Families Department	State Agency	40-000-14-00106AE	Price Agreement	Acro Incorporated	Y	\$ 107,730.00		8201 Golf Course Rd., D-3 Suite 119, Albuquerque, NM 87120	Y	N	EPICS streamline process & delivery also convert FACTS data to EPICS for phase 3 & 4 deliverables	
69000	Children, Youth & Families Department	State Agency	40-000-14-00106AE	Price Agreement	Acro Incorporated	Y	\$ 40,278.00		8201 Golf Course Rd., D-3 Suite 119, Albuquerque, NM 87120	Y	N	FACTS Production Support	
69000	Children, Youth & Families Department	State Agency	40-000-14-00106DH	Price Agreement	TEKsystems	Y	\$ 33,555.12		2155 Louisiana Blvd., N.E. Suite 7000, Albuquerque, NM 87110	Y	N	Help Desk Level I Support	
69000	Children, Youth & Families Department	State Agency	40-000-14-00106DH	Price Agreement	TEKsystems	Y	\$ 114,821.64		2155 Louisiana Blvd., N.E. Suite 7000, Albuquerque, NM 87110	Y	N	Provide Web Infrastructure Support	
69000	Children, Youth & Families Department	State Agency	40-000-14-00106AE	Price Agreement	Acro Incorporated	Y	\$ 104,786.50		8201 Golf Course Rd., D-3 Suite 119, Albuquerque, NM 87120	Y	N	Web Developers	
69000	Children, Youth & Families Department	State Agency	40-000-14-00106CN	Price Agreement	Pod Associates Inc.	Y	\$ 17,798.49		5951 Jefferson, N.E., Suite C, Albuquerque, NM 87109	Y	N	IV&V Reporting	

SINGLE AUDIT INFORMATION

State of New Mexico
Children, Youth and Families Department

Schedule 33

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2016

Federal Grant / Pass-Through Grantor / Program Title	Federal CFDA Number	Accrued/(Unearned) Revenue at 06/30/2016	16 Federal Revenue	16 Federal Expenditures	Accrued/(Unearned) Revenue at 06/30/2016	Amount to Subrecipients
U.S. Department of Agriculture Direct Programs						
Child Care Food Program 14	10.558	\$ (170)	\$ 170	\$ -	\$ -	\$ -
Child Care Food Program 15	10.558	2,895,679	(10,865,651)	7,969,972	-	7,829,776
Child Care Food Program 16	10.558	-	(23,130,842)	25,989,472	2,858,630	25,632,743
Summer Food Service Program 15	10.559 *	1,127,192	(4,232,883)	3,105,691	-	3,071,609
Summer Food Service Program 16	10.559 *	-	(1,814,615)	3,392,073	1,577,458	3,103,965
State Administrative Expense 14	10.561	63,785	(63,785)	-	0	-
State Administrative Expense 15	10.561	126,547	(658,697)	539,166	7,016	-
State Administrative Expense 16	10.561	-	(319,198)	585,133	265,935	-
Subtotal		4,213,033	(41,085,501)	41,581,507	4,709,039	39,638,093
U.S. Department of Agriculture Passed through NM Department of Education						
National School Lunch - YDDC 14-15	10.555 *	13,096	(13,096)	-	-	-
National School Lunch - JPTC 14-15	10.555 *	7,721	(7,721)	-	-	-
National School Lunch - CN 14-15	10.555 *	10,475	(10,475)	-	-	-
National School Lunch - YDDC 15-16	10.555 *	-	(152,301)	164,060	11,759	-
National School Lunch - JPTC 15-16	10.555 *	-	(89,033)	96,524	7,491	-
National School Lunch - CN 15-16	10.555 *	-	(125,551)	134,775	9,224	-
Subtotal		31,292	(398,177)	395,359	28,474	-
* These are part of the Child Nutrition Cluster, with total expenditures of \$6,893,123						
Total Department of Agriculture		4,244,325	(41,483,678)	41,976,866	4,737,513	39,638,093

U.S. Department of Health and Human Services
Direct Programs

Children's Justice FY13	93.643	108,434	(108,463)	29	-	-
Children's Justice FY14	93.643	-	(26,372)	92,717	66,345	76,469
Children's Justice FY15	93.643	-	-	-	-	-
Headstart Collaboration Grant 14	93.600	43,820	(34,816)	(9,004)	-	-
Headstart Collaboration Grant 15	93.600	-	(5,332)	68,243	62,911	11,947
Headstart Collaboration Grant 16	93.600	-	-	-	-	-
Child Care Developmental Funds Grant 13	93.596	519	(5,204,441)	5,203,922	-	-

State of New Mexico
Children, Youth and Families Department

Schedule 33

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2016

Federal Grant / Pass-Through Grantor / Program Title	Federal CFDA Number	Accrued/(Unearned) Revenue at 06/30/2016	16 Federal Revenue	16 Federal Expenditures	Accrued/(Unearned) Revenue at 06/30/2016	Amount to Subrecipients
Child Care Developmental Funds Grant 14	93.596	550,002	(6,902,671)	13,532,609	7,179,940	-
Child Care Developmental Funds Grant 15	93.596	7,959,145	(18,504,913)	11,294,775	749,007	408,381
Child Care Developmental Funds Grant 16	93.596		(8,106,280)	18,618,630	10,512,350	3,055,715
Family Preservation and Family Support 13	93.556	(6,012)	6,012	-	-	-
Family Preservation and Family Support 14	93.556	1,235,649	(1,653,522)	440,328	22,455	320,725
Family Preservation and Family Support 15	93.556	-	(1,195,732)	2,321,016	1,125,284	1,768,127
Family Preservation and Family Support 16	93.556	-	-	-	-	-
Promoting Safe and Stable Families (caseworker visits) 14	93.556	62,530	(87,490)	24,960	-	24,960
Promoting Safe and Stable Families (caseworker visits) 15	93.556	-	(117,048)	170,122	53,074	170,122
Promoting Safe and Stable Families (caseworker visits) 16	93.556	0	-	-	0	-
Child Abuse and Neglect (CAN) Part I 12	93.669	45,003	(129,222)	131,512	47,293	49,367
Child Abuse and Neglect (CAN) Part I 13	93.669	-	-	9,716	9,716	9,716
Child Abuse and Neglect (CAN) Part I 14	93.669	-	-	-	-	-
Child Abuse and Neglect (CAN) Part I 15	93.669	-	-	-	-	-
Child Abuse and Neglect (CAN) Part I 16	93.669	-	-	-	-	-
CAPTA-Community Based Family Resource Program 13	93.590	155,740	(258,458)	102,718	-	102,220
CAPTA-Community Based Family Resource Program 14	93.590	-	(74,930)	235,262	160,332	155,261
CAPTA-Community Based Family Resource Program 15	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 15	93.658	3,049,587	(5,794,888)	2,757,691	12,390	99,723
Title IV-E Foster Care 16	93.658	-	(13,212,974)	16,036,155	2,823,181	2,739,322
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 15	93.659	1,572,705	(5,076,925)	3,504,220	(0)	-
Title IV-E Adoptions 16	93.659	-	(15,056,963)	16,682,808	1,625,845	-
Title IV-B CWS 15	93.645	79,332	(457,449)	378,117	-	-
Title IV-B CWS 16	93.645	-	(912,911)	1,173,890	260,979	-
Chafee Foster Care Independence Program 13	93.674	(341)	346	(5)	-	-
Chafee Foster Care Independence Program 14	93.674	157,014	(328,765)	171,751	0	65,704

**State of New Mexico
Children, Youth and Families Department**

Schedule 33

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2016

Federal Grant / Pass-Through Grantor / Program Title	Federal CFDA Number	Accrued/(Unearned) Revenue at 06/30/2016	16 Federal Revenue	16 Federal Expenditures	Accrued/(Unearned) Revenue at 06/30/2016	Amount to Subrecipients
Chafee Foster Care Independence Program 15	93.674	-	(276,985)	420,037	143,052	112,771
Chafee Foster Care Independence Program 16	93.674	-	-	-	-	-
Education and Training Voucher Program 14	93.599	25,250	(71,129)	45,879	-	45,879
Education and Training Voucher Program 15	93.599	-	(73,624)	99,503	25,879	76,647
Education and Training Voucher Program 16	93.599	-	-	-	-	-
Family Violence Prevention 14	93.671	61,476	(998,398)	936,922	-	890,402
Family Violence Prevention 15	93.671	0	(678)	36,848	36,170	35,113
Family Violence Prevention 16	93.671	0	-	-	0	-
Title XX SOSR 15	93.667	1,285,788	(2,662,524)	1,376,736	-	-
Title XX SOSR 16	93.667	-	(7,490,581)	7,840,234	349,653	250,209
Access & Visitation Program 14	93.597	41,288	(43,601)	2,313	-	2,313
Access & Visitation Program 15	93.597	-	(66,020)	97,687	31,667	97,687
Access & Visitation Program 16	93.597	-	-	-	-	-
Families and Organizations Collaborating for a United System (FOCUS yr 5)	93.104	(31,187)	31,187	-	-	-
Families and Organizations Collaborating for a United System (FOCUS)	93.104	431,250	(766,107)	334,857	-	331,783
NM Communities of Care Expansion Grant (year 1)	93.104	169,023	(338,264)	169,241	-	115,347
NM Communities of Care Expansion Grant (year 2)	93.104	-	(325,810)	691,158	365,348	392,271
NM Communities of Care Expansion Grant (year 3)	93.104	-	-	-	-	-
Healthy Transitions New Mexico (year 1)	93.243	341,849	(682,879)	341,030	-	311,541
Healthy Transitions New Mexico (year 2)	93.243	-	(150,993)	723,668	572,675	581,027
SAMHSA Treatment Drug Courts - NM SOAR (Year 1)	93.243	76,335	(125,198)	48,863	-	24,135
SAMHSA Treatment Drug Courts - NM SOAR (Year 2)	93.243	-	(65,808)	178,315	112,507	122,660
SAMHSA Treatment Drug Courts - NM SOAR (Year 3)	93.243	-	-	-	-	-
SAMHSA SYT Planning Project (Year 1)	93.243	-	(1,467)	135,475	134,008	135,100
SAMHSA SYT Planning Project (Year 2)	93.243	-	-	-	-	-
SAMHSA NM AWARE (Year 1)	93.243	-	(44,500)	90,117	45,617	71,891
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) '15	93.652	126,776	(229,580)	102,804	-	-
Federal Home Visiting Competitive 2012 (year 2)	93.505	-	-	(3,030)	(3,030)	-
Federal Home Visiting Competitive 2013 (year 1)	93.505	927,263	(927,263)	-	-	-
Federal Home Visiting Competitive 2013 (year 2)	93.505	402,838	(849,706)	1,492,733	1,045,865	1,352,537
Federal Home Visiting Formula 2013	93.505	506,000	(749,008)	243,008	-	243,008
Federal Home Visiting Formula 2014	93.505	-	(510,963)	1,022,912	511,949	1,014,846
Federal Home Visiting Formula 2015	93.505	-	-	89,379	89,379	89,379
Federal Home Visiting Formula 2016	93.870	-	-	-	-	-
Subtotal		21,916,394	(100,664,106)	109,458,871	30,711,159	15,354,305

State of New Mexico
Children, Youth and Families Department

Schedule 33

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2016

Federal Grant / Pass-Through Grantor / Program Title	Federal CFDA Number	Accrued/(Unearned) Revenue at 06/30/2016	16 Federal Revenue	16 Federal Expenditures	Accrued/(Unearned) Revenue at 06/30/2016	Amount to Subrecipients
U.S. Department of Health and Human Services Passed Through NM Human Services Department						
Child Care Development Funds (TANF) 15	93.596	2,543,958	(10,175,833)	7,631,875	-	-
Child Care Development Funds (TANF) 16	93.596	-	(22,895,625)	22,895,625	-	-
Supportive Housing TANF 15	93.558	145,730	(145,730)	-	-	-
Supportive Housing TANF 16	94.558	-	(361,032)	818,341	457,309	818,341
Pre-K TANF 15	93.558	508,333	(508,333)	-	-	-
Pre-K TANF 16	93.558	-	(13,600,000)	13,600,000	-	-
Homevisiting TANF 15	93.558	166,667	(166,667)	-	-	-
Homevisiting TANF 16	93.558	-	(4,500,000)	4,500,000	-	-
Subtotal		3,364,688	(52,353,220)	49,445,841	457,309	818,341
Total Department of Health and Human Services		25,281,082	(153,017,326)	158,904,712	31,168,468	16,172,646
U.S. Department of Justice Direct Programs						
Juvenile Accountability Incentive Block Grant 12	16.523	(16,910)	(419)	17,329	-	16,910
Juvenile Accountability Incentive Block Grant 13	16.523	(168,498)	(690)	169,188	-	160,764
JJDP Formula Grant 13 -Year 1	16.540	35,732	(77,185)	72,203	30,750	62,473
JJDP Formula Grant 14 - Year 2	16.540	-	(11,890)	24,183	12,293	-
JJDP Formula Grant 15	16.540	-	-	-	-	-
Enforcing the Underage Drinking Laws Block Grant 08	16.727	(1,067)	-	-	(1,067)	-
Enforcing the Underage Drinking Laws Block Grant 11	16.727	16,935	(89,358)	72,423	-	26,789
NM Prison Rape Elimination Act (PREA) 14	16.735	-	-	5,894	5,894	-
Juvenile Mental Health Co-Occuring Disorder 12	16.745	17,938	(98,669)	80,731	0	80,731
Total Department of Justice		(115,870)	(278,211)	441,952	47,871	347,667

State of New Mexico
Children, Youth and Families Department

Schedule 33

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2016

Federal Grant / Pass-Through Grantor / Program Title	Federal CFDA Number	Accrued/(Unearned) Revenue at 06/30/2016	16 Federal Revenue	16 Federal Expenditures	Accrued/(Unearned) Revenue at 06/30/2016	Amount to Subrecipients
U.S. Department of Education Passed through NM Department of Education						
Race To The Top Early Learning Challenge Grant	84.412	3,434,813	(8,732,079)	7,031,122	1,733,856	5,893,450
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		4,055,457	(8,701,005)	7,031,122	2,385,574	5,893,450
Total Department of Education		4,055,457	(8,701,005)	7,031,122	2,385,574	5,893,450
TOTAL FEDERAL FINANCIAL ASSISTANCE		\$ 33,464,994	\$ (203,480,220)	\$ 208,354,652	\$ 38,339,426	\$ 62,051,856

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

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2016

Note A. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Example Entity under programs of the federal government for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of the Department, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Department.

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. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the (identify basis of accounting) basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Example Entity has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note C. 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	\$ 210,697,184
Less: Federal revenue earned through vendor relationship	(2,342,532)
Less: Federal revenue recognized in prior year	<u>-</u>
Total FY16 federal expenditures per schedule	<u><u>\$ 208,354,652</u></u>

**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
Albuquerque, 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 and major special revenue funds of NM Children, Youth and Families Department (Department), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise NM Children, Youth and Families Department's basic financial statements, and the combining and individual funds and related budgetary comparisons, and have issued our report thereon dated November 23, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered NM Children, Youth and Families 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 NM Children, Youth and Families Department's internal control. Accordingly, we do not express an opinion on the effectiveness of NM Children, Youth and Families 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. 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.

Yolanda Berumen-Deines, Secretary
NM Children, Youth and Families Department
and Mr. Timothy Keller, New Mexico State Auditor

Compliance and Other Matters

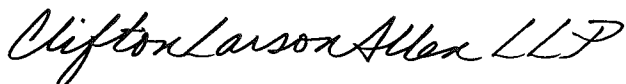
As part of obtaining reasonable assurance about whether NM Children, Youth and Families Department's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could 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 2016-008, 2016-001, and 2016-002.

The Department's Response to Findings

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

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, 2016



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

We have audited NM Children, Youth and Families Department's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of NM Children, Youth and Families Department's major federal programs for the year ended June 30, 2016. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of NM Children, Youth and Families 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about NM Children, Youth and Families 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 NM Children, Youth and Families Department's compliance.

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

Opinion on Each Major Federal Program

In our opinion, NM Children, Youth and Families 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, 2016.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2016-003, 2016-004, 2016-005, 2016-006, and 2016-007. Our opinion on each major federal program is not modified with respect to these matters.

NM Children, Youth and Families Department's response to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. NM Children, Youth and Families 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 NM Children, Youth and Families 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 NM Children, Youth and Families 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 the Uniform Guidance, 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 NM Children, Youth and Families 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 certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2016-003, 2016-004, 2016-005, 2016-006, and 2016-007, that we consider to be significant deficiencies.

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

NM Children, Youth and Families Department's response to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. NM Children, Youth and Families 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.

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 results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Albuquerque, New Mexico
November 23, 2016

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

Schedule of Findings and Questioned Costs

Year Ended June 30, 2016

FINDINGS – FINANCIAL STATEMENT AUDIT

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 2 CFR 200.516(a)? yes no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
10.558	Child and Adult Care Food Program
84.412a	Race to the Top
93.556	Promoting Safe and Stable Families
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, 2016

FINDINGS – FINANCIAL STATEMENT AUDIT

2016-008 (Previously Finding 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, which had charges of approximately \$385,000, we identified the following:

- Three instances of unauthorized purchases that could not be substantiated:
 - Tire purchase: \$84.98
 - Two Product OFUL: \$43.58
- A fuel type other than regular unleaded was purchased, which amount to \$13,393.14
- Oil changes – two instances in which an oil change was purchased. These were on two difference cards for a total of \$48.99
- Car washes - two different cards/cars with three car washes in a given month

Management's Progress for Repeat Finding 2012-001: The Department continues to remind CYFD vehicle liaisons and staff of the WEX card policy of what is and is not allowed. Pending available resources, General Services will hold their annual liaison refresher training in December in which this topic will be part of the curriculum. Additionally, we will send out e-mail reminders throughout the year.

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 continue to 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, 2016

FINDINGS – FINANCIAL STATEMENT AUDIT (CONTINUED)

2016-008 (Previously Finding 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 accountability.

Vehicle coordinators do review WEX transactions as time permits. However due to limited resources at central office, we must rely on the review of paperwork by field liaisons before being submitted to central office.

The Department continues to remind CYFD vehicle liaisons and staff of the WEX card policy of what is and is not allowed. Pending available resources, General Services will hold their annual liaison refresher training in December in which this topic will be part of the curriculum. Additionally, we will send out e-mail reminders throughout the year.

2016-001 Procurement Process (Deficiency in Internal Control/Noncompliance)

Condition: During our testwork over the Department’s procurement process and fully executed contracts, we noted the following:

1. The Department brought to our attention two instances where the Department did not establish adequate purchase orders for each contract. In both instances, services were performed by the vendor even though the Department did not have a purchase order for the services. In both instances, the Department followed MAPS FIN 4.13 regarding State Procurement Code Violations and submitted a justification memo to State Purchasing Division.
2. A change order related to an approved purchase order was not approved by the Chief Procurement Officer.

Criteria:

1. In accordance with MAPS FIN 4.1 Purchase Orders, encumbrances for goods or services should be properly documented, fully funded, and be related to a specific procurement.
2. In accordance with NMAC 1.4.1.94, D. (2), the CPO is responsible for issuing purchase orders.

Cause: Turnover within the Department’s Contract Bureau, including the contract manager supervisor, which did not allow for adequate internal controls. Additionally, there was disagreement within the contract division and management of the Department pertaining to the change order reference in point #2.

Effect: Noncompliance with NM State MAPS and NM Statute.

Recommendation: We recommend the Department remind employees within the Contract Bureau about the procedures that are to be followed to ensure compliance with MAPS and NM Statute.

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

Schedule of Findings and Questioned Costs

Year Ended June 30, 2016

FINDINGS – FINANCIAL STATEMENT AUDIT (CONTINUED)

2016-001 Procurement Process (Deficiency in Internal Control/Noncompliance with Manual of Model Accounting Practices (MAPS)) (Continued)

Management's Response: The Contracts & Procurement Section has recently hired the Contracts Development Supervisor and a Contracts Development Specialist. This current staffing structure is proving to be effective, efficient and successful with the current contractual and procurement operations.

To address the MAPS compliance issues regarding purchase documents and internal controls, the CYFD Chief Procurement Officer (CPO), the Contracts Development and Procurement Unit Supervisors are developing an internal Contract and Procurement training to provide to those administrative and programmatic staff involved in the Procurements of goods and services. The Administrative Services Division Director's Office is also coordinating with the NM State Purchasing Division to provide a Procurement 101 and Request for Proposal training for all staff who are involved directly with Purchasing and Contracts early in the coming calendar year. These trainings will assist the staff to obtain a better understanding of the rules, regulations, policies and procedures that govern the procurement process.

"In accordance with NMAC 1.4.1.94, D. (2), the CPO is responsible for issuing purchase orders." The agency recognizes the importance of this statute and will work to improve on the process to ensure that the CYFD CPO is complying with making the appropriate procurement determinations and the issuance of approvals to all purchase orders accordingly. The agency will also ensure that the necessary certifications and training requirements for the CPO are adhered to. The CYFD CPO will also collaborate with the oversight agencies, the NM State Purchasing Division and the Department of Finance and Administration, for any technical assistance as necessary.

2016-002 Information Technology Controls (Matter that does not rise to the level of a significant deficiency)

Condition: During our testwork over the Departments Information Technology processes and controls, we identified the following:

1. The Department does not perform a periodic review of user/admin access rights and permissions.
2. The Department has not performed an enterprise wide risk assessment.
3. The Department has not disabled local administrator privileges on some machines.
4. There is no annual acknowledgment of IT policies or IT security awareness training.

STATE OF NEW MEXICO
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

Schedule of Findings and Questioned Costs

Year Ended June 30, 2016

FINDINGS – FINANCIAL STATEMENT AUDIT (CONTINUED)

2016-002 Information Technology Controls (Matter that does not rise to the level of a significant deficiency) (Continued)

Criteria:

1. In accordance with ISACA's Control Objectives for Information and related Technology (COBIT) 5 framework (DSS05), to manage security services, management should regularly review all accounts and related privileges.
2. In accordance with ISACA's Control Objectives for Information and related Technology (COBIT) 5 framework (EDM03), to ensure risk optimization, management should regularly perform risk assessments.
3. In accordance with ISACA's Control Objectives for Information and related Technology (COBIT) 5 framework (DSS05), to manage security services, management should segregate and manage local administrative privileges to users with business reasons for the access.
4. In accordance with ISACA's Control Objectives for Information and related Technology (COBIT) 5 framework (DSS05), to manage security services, management should conduct regular security awareness training.

Cause: The Department has relied on the user de-provision process to be notified of changes to users' access and privileges.

1. The Department has focused on risk at the project level.
2. The Department has allowed local administrative privileges to avoid complains from end users that want the unnecessary access.
3. The Department does not conduct regular security training.

Effect:

1. Not performing a regular, standardized user account audit increases the risk that the company may not identify all old and unused user accounts, users with improper access to the system, and/or unauthorized system users.
2. The organization is not aware of risks that could negatively impact the business from an information technology and/or data security perspective that could result in unauthorized disclosure, misuse, alteration, destruction or another compromise of data and/or information technology assets.
3. When users have local administrative privileges, they have the power to do almost anything they want to their workstations. There is an increased risk that they download any application, use any program, and even ignore or undo security settings.
4. Uninformed users could harm your network by infecting the network with malware, responding to phishing e-mails, storing their login information in an unsecured location, or even giving out sensitive information over the phone when expose to social engineering.

STATE OF NEW MEXICO
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

Schedule of Findings and Questioned Costs

Year Ended June 30, 2016

FINDINGS – FINANCIAL STATEMENT AUDIT (CONTINUED)

2016-002 Information Technology Controls (Matter that does not rise to the level of a significant deficiency) (Continued)

Recommendation:

1. The Department should conduct a formal review of all user accounts and their access level should be performed every year. The review process should be documented, and sign-off should be obtained from IS personnel completing the review. The review should ensure that all user accounts are assigned to current employees by comparing a system account listing to a current employee list from Human Resources. In addition, a review of access levels should be performed by comparing the user's current access rights listed on the system to those listed on their access form, and by confirming the user's access rights with their departmental manager.
2. The organization should periodically assess threats that could negatively impact data and information technology resources and do not have adequate administrative, technical and physical controls to mitigate the risk. Residual risk should be evaluated to determine what controls can be implemented to reduce the overall risk to the organization. The mitigation strategy should identify the priority of remediation efforts to reduce or eliminate the threat impact.
3. The Department should restricted local administrative privileges to only user that need the access as part of their job responsibilities. If the access is needed, the access should be reviewed and approved by the Department Security Administrator and stored as an exception.
4. The Department should perform annual security awareness training to all the Department employees. The training will provide employees with virtual information to prevent costly errors in regard to information security.

Management's Response:

1. ITD Service Desk staff administering end-user computer accounts review/audit all network accounts twice a year to ensure there are no lingering network accounts with access for those who have departed from CYFD. On a monthly basis, they also receive the CYFD Staffing Loss/Gain report from the Administrative Services HR Division, which shows staff who have vacated their positions. This serves to verify said user accounts are removed and therefore preventing potential computer access, in case a System Access Request Forms was not submitted. Additionally, Service Desk staff also review Windows accounts for staff who have administrative privileges on their desktops or laptops determining whether this level of permissions should remain. (Note: This was expressed to the auditor this year and the previous year.) Following and part of this process also includes the global reassignment of FACTS to another staff or supervisor. This said and as has been identified, ITD does not perform a periodic review of user/admin access rights and permissions of FACTS application rights as managers and supervisors are responsible for ensuring their workers have proper access.

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

Schedule of Findings and Questioned Costs

Year Ended June 30, 2016

FINDINGS – FINANCIAL STATEMENT AUDIT (CONTINUED)

2016-002 Information Technology Controls (Matter that does not rise to the level of a significant deficiency) (Continued)

2. CYFD ITD does not have the resources to perform an enterprise wide risk assessment, however ITD has performed an IT general risk assessment to evaluate risks to ITD and its applications and systems. In addition ITD has brought in external vulnerability auditors (third party) to identify vulnerabilities as well as invested in our tools (Nexpose and Metasploit) to conduct in house vulnerability assessments on an ad hoc basis. As a result of these enterprise security audits we continue to narrow our attack surface by implementing the recommendations from the auditors. In addition, both systems and network administrators implement best practices to begin with, and are trained annually on protecting sensitive information. Finally, the infrastructure is monitored, syslogging is enabled, and they are evaluated daily for anything that could represent a threat to the enterprise.
3. Administrator access to any enterprise system is absolutely documented and approved. Only users that need administrator access are granted such permissions. Aside from a few select systems that may require administrator access to get to the hardware, operating system, or for emergency access, systems require logging in with eDir or Active Directory credentials.
4. CYFD ITD Security has reviewed, selected and tested a security awareness training called SANS securing the human; however, prior to the deployment our assigned Security Administrator departed the agency so the project has been delayed. In September 2016 ITD hired a new security administrator and is in the process of onboarding including reevaluation of the training. In addition, CYFD ITD provides phishing and other security notifications to CYFD staff via e-mail as well as a quarterly newsletter with tips.

STATE OF NEW MEXICO
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

Schedule of Findings and Questioned Costs

Year Ended June 30, 2016

FEDERAL FINDINGS

2016-003 Earmarking (Significant Deficiency/Federal Non-Compliance)

Federal program title: CFDA 93.556 - Promoting Safe and Stable Families

Federal agency: US Department of Health and Human Services

Federal award number: G1401NMFPS and G1501NMFPS

Award Period: 7/1/14-9/30/17

Questioned Costs: \$57,723

Condition: During our testwork over earmarking, we noted the following:

- For Grant Award G1401NMFPS that ended on December 31, 2015, the Department did not meet the 20% requirement for adoption promotion and support services.
- For Grant Awards G1401NMFPS and G1501NMFPS, the Department exceeded the 10% threshold for administrative costs, which amounted to \$57,723.

Criteria or specific requirement: In accordance with the 2016 Compliance Supplement related to this program:

- States must expend at least 20% on each of the following:
(1) programs of family preservation services, (2) community-based family support services, (3) time-limited family reunification services, and (4) adoption promotion and support services.
- Additionally, States may not expend more than 10 percent of Federal funds for administrative costs.

Context: We tested the entire population of transactions by evaluating the general ledger detail that supported the expenditures under this grant period.

Effect: Non-compliance with the federal requirement.

Cause: Lack of adequate tracking of expenditures based on the required categories.

Repeat Finding: No

Recommendation: We recommend the Department ensure its tracking worksheet is updated and reviewed consistently throughout the year to ensure they are on-track to meet the compliance requirements.

Management's Response: CYFD, Protective Services Division will revise the tracking worksheet and maintain it on a monthly basis. PSD will reconcile quarterly, and will be proactive in assuring we meet the requirements as outlined in the grant awards.

STATE OF NEW MEXICO
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

Schedule of Findings and Questioned Costs

Year Ended June 30, 2016

FEDERAL FINDINGS (CONTINUED)

2016-007 (Previously Finding 2015-005) Special Provisions (Significant Deficiency/Non Compliance) – Repeated and Modified

Federal Program: CFDA 93.658 Foster Care – IV E

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

Federal Award No: 1501NMFOST/1601NMFOST

Questioned Costs: \$80,681

Condition: During the special provisions testwork over various foster care rates and payment types, we noted the following matters, out of \$11 million of transactions analyzed:

1. The Department incurred \$71,700 in “Annual Back to School Clothing” expenditures without documentation of approval.
2. The Department had 1 occurrence which totaled \$626 where the annual clothing expense exceeded the allowable amount of \$600.
3. The Department incurred \$7,115 in expenditures to one facility that is included in a category that is not defined in the Permanency Planning Procedures.
4. The Department incurred \$1,800 in expenditures under a category that is not defined in the Permanency Planning Procedures.

Management’s Progress for Repeat Finding 2016-007: CYFD, Protective Services will work directly with FOP and STEP to stress the importance of maintaining documentation for reimbursable expenses. Through training, CYFD will instill the significance of keeping accurate files for each case. PSD will continue to work towards eliminating this finding for next year.

Criteria: Payments for Incidental Allowances are to be identified in the Program Plan that is submitted to the Administration for Children and Families (ACF.) According to the Department’s Permanency Planning Procedures (8.10.8 NMAC) PR 27: Maintenance Payments and Incidentals:

1. Annual Back to School Clothing vouchers are not included in the established chart, but are only issued in years in which there is budgetary approval.
2. The annual clothing allowance is \$600 per calendar year.

According to the Department’s Permanency Planning Procedures (8.10.8 NMAC) PR 27, Maintenance Payments are established based on category and service type.

3. This category (Facility Special Arranged) is not included so there is no defined criterion that has been submitted to the ACF.

STATE OF NEW MEXICO
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

Schedule of Findings and Questioned Costs

Year Ended June 30, 2016

FEDERAL FINDINGS (CONTINUED)

2016-007 (Previously Finding 2015-005) Special Provisions (Significant Deficiency/Non Compliance) – Repeated and Modified (Continued)

Criteria (Continued):

4. This category, Out-of-Home Place. (Hm Set.) Spec Rate, is not included, so there is no defined criteria that has been 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:

1. Lack of adequate documentation maintained by the program to substantiate these expenditures.
2. The Department believes 5 out of 6 of these incidences resulted from checks being reissued to the same provider because the provider lost the original check. However, documentation was not provided to show the original checks were voided. The remaining sample could not be supported.
3. Lack of adequate definition of necessary service types on the Permanency Plan submitted to the ACF.

Recommendation: We recommend the Program ensure adequate documentation is maintained to substantiate payments that are not on the Plan that is submitted to the ACF. Additionally, we recommend the Program review its Plan submitted to the ACF to capture these additional service types.

Management's Response: CYFD, Protective Services Division will review procedures to ensure there is clear documentation regarding requirements that constitutes a specialized rate, constitutes facility payment, and items that require FACT's manager to obtain written communication approving Christmas and school expenses. CYFD-PSD will continue to review the FACT's system to stop payments when the child exceeds the \$600 threshold. CYFD-PSD will continually work with the field on documentation for purchases.

CYFD-PSD will also review their policies and procedures and other required plans to ensure that the current defined dollar allowances are sufficient for the various areas of providing care and support of a child and will make the necessary modifications for approval where necessary.

STATE OF NEW MEXICO
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

Schedule of Findings and Questioned Costs

Year Ended June 30, 2016

FEDERAL FINDINGS (CONTINUED)

2016-004 (Previously Finding 2015-002) Allowability – Time and Effort Reporting and Non-Payroll Disbursements (Repeat and Modified - Significant Deficiency and Noncompliance)

Federal Program: CFDA 93.556 – Promoting Safe and Stable Families
CFDA 96.658 – Foster Care

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

Federal Award No: 93.556 G1401NMFPS, G1501NMFPS, G1411NMFPCV, G1511NMFPCV
93.658 1501NMFOST/1601NMFOST

Award Period: 93.556: 7/1/14-9/30/17
93.658: 7/1/15-6/30/15

Questioned Costs: 93.556: \$21,944.85; Audit Adjustment was recorded to remove from SEFA
93.658: Non-payroll amounts to \$549.85.

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

93.556:

- For a three month time period of the fiscal period of July 1, 2015 through June 30, 2016, 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 2 of the 3 employees tested, that are allowed to be charged to the grant, the program is not adhering to its internal policy of utilizing semi-annual certifications to substantiate the fact that they are 100% dedicated to this grant. The certifications were not completed timely.

93.658: The program was unable to provide receipts to support 5 out of 60 transactions tested in the sample.

Management's response for repeat finding 2016-004: Policies and procedures were established although timely review was not completed to ensure that employees were properly being charged to the grant. A more continual review will take place, with the aide of the Program to ensure that salaries are properly being charged.

Criteria: 2 CFR §200.430 Compensation—personal services outlines requirement for charging personal services to a federal grant, which includes documentation of review performed by someone other than the employee, of the time charged to a grant to validate the charges are reasonable and accurate. Additionally, non-payroll transactions should be supported with a receipt or other documentation to substantiate the charge to the grant.

STATE OF NEW MEXICO
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

Schedule of Findings and Questioned Costs

Year Ended June 30, 2016

FEDERAL FINDINGS (CONTINUED)

2016-004 (Previously Finding 2015-002) Allowability – Time and Effort Reporting and Non-Payroll Disbursements (Repeat and Modified - Significant Deficiency and Noncompliance) (Continued)

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. This adjustment will be reflected the Department's FY17 first quarter report and reconciliation provided to the US Department of Health and Human Services.

Cause: Lack of adequate review of the payroll registers for employees charged to the federal grants and lack of maintenance of supporting documentation.

Recommendation: We recommend the Department enhance its 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. Additionally, the Department should remind the program staff to maintain underlying documentation to support charges made to a grant.

Management's Response: The payroll registers will continue to be reviewed on a timely basis to ensure that appropriate employee time is being allocated to the correct funding sources. The Administrative Services Division (ASD) and the Protective Services Division will continue to work together to review employee salary charges related to federal awards.

ASD will ensure staff are trained on the use and timeliness of obtaining the Semi-Annual Direct Certifications. The Federal Grants Section will ensure the certification are obtained from those employees within CYFD whose salaries and wages are 100% direct charged to a federal award semi-annually. The Federal Grants Section will maintain a copy of the signed certifications in a file in their respective offices.

CYFD, Protective Services Division will continually stress the importance with all case workers, investigators, and supervisors to maintain accurate files. It will be emphasized that all receipts must be neatly kept in each individual case binder.

STATE OF NEW MEXICO
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

Schedule of Findings and Questioned Costs

Year Ended June 30, 2016

2016-005 (Previously Finding 2015-003) Eligibility – Benefit Payments – (Significant Deficiency and Noncompliance)

Federal Program: CFDA 93.659 – Adoptions IV-E

Federal Agency: US Department of Health and Human Services

Federal Award No: 1501NMADPT/1601NMADPT

Questioned Costs: None – Department is underpaying

Condition: While recalculating eligibility amounts and agreeing to the Adoption Agreements, we noted that in 1 out of the 60 files tested, the Adoptive Family is not being paid the agreed-upon amount identified in the Adoption Agreement. We saw documentation in the file that the Department identified this matter, but no steps were taken to adjust the payment.

Management's response for repeat finding 2016-005: The agency will verify the agreed upon subsidy and will ensure the correct amount is entered into the state SACWIS system.

Criteria: Monthly stipends paid to Adoptive Families should agree to the amount identified in the Adoption Agreement.

Context: Error found in 1 of 60 files tested in our audit sample.

Effect: Adoptive family was underpaid by \$792 since July 1, 2014 and will continue to be underpaid until the Program makes the adjustment.

Cause: Lack of timely remediation by program.

Recommendation: We recommend the Department modify their review processes to ensure appropriate payments are made to adoptive families.

Management's Response: The review process has been modified to include comparison of the approved adoption subsidy agreement with post-adoptive amounts entered into the state SACWIS system during the creation of the adoption 3rd case. Any error will be corrected immediately and narrative entered into the state SACWIS system adoptive family case and provider records by the adoption specialists.

The Foster Care and Adoption Bureau is providing adoption subsidy training to include verification of subsidy amounts by the placement supervisor prior to the assignment to the central adoptions staff.

STATE OF NEW MEXICO
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

Schedule of Findings and Questioned Costs

Year Ended June 30, 2016

FEDERAL FINDINGS (CONTINUED)

2016-006 (Previously Finding 2015-004) Subrecipient Financial Monitoring (Repeat and Modified - Significant Deficiency and Non-Compliance)

Federal Program: CFDA 10.558 – Child and Adult Care Food Program
CFDA 93.556 – Promoting Safe and Stable Families
CFDA 93.658 – Foster Care IV-E

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

Federal Award No: 10.558: CCFP FFY15 & CCFP FFY16
93.556: G1401NMFPS, G1501NMFPS, G1411NMFPCV, G1511NMFPCV
93.658: 1501NMFOST/1601NMFOST

Award Period: 10.558: 7/1/15-6/30/16
93.556: 7/1/14-9/30/17
93.658: 7/1/15-6/30/16

Questioned Costs: None

Condition: During our testwork over subrecipient monitoring, we noted deficiencies pertaining to the Department's review of subrecipient audit reports. Additionally, the Department has not updated its agreements with respective sub-recipients to include the required points under 2 CFR §200.331 Requirements for pass-through entities. The Department is not reviewing audit reports of subrecipients in a timely manner to allow appropriate communication with subrecipients about matters that need to be remediated.

Outlined below are the number of instances in which this occurred:

CFDA 10.558 - Child and Adult Care Food Program - 40 out of 40 subrecipients tested did not have appropriate award agreements. Additionally, 1 out of 40 subrecipients tested did not have documentation of the review of the most recently completed audit; the program is 2 years behind in its review.

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

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

Management's response for repeated finding 2016-006: CYFD, Protective Services developed a new contract monitoring process. CYFD-PSD managers attending UGG (Uniform Grant Guidance) training that was provided by our auditors, CliftonLarsonAllen.

STATE OF NEW MEXICO
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

Schedule of Findings and Questioned Costs

Year Ended June 30, 2016

FEDERAL FINDINGS (CONTINUED)

2016-006 (Previously Finding 2015-004) Subrecipient Financial Monitoring (Repeat and Modified - Significant Deficiency and Non-Compliance) (Continued)

Criteria: Guidance outlined by 2 CFR §200.331 Requirements for pass-through entities 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.

Additionally agreements with subrecipients are required to contain key points to provide the subrecipient with appropriate information

Context: See "Condition".

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

Cause: Turnover and inadequate staffing within the Contracts Division. Additionally, program staff need make these endeavors a priority.

Repeat Finding: Yes, prior year finding 2015-004.

Recommendation: We recommend the Department continue to utilize its Desk Review control sheet more thoroughly to better document matters that need to be brought to the attention of the subrecipient. Additionally, more training should take place with program staff to emphasize the importance of financial monitoring, as well as programmatic monitoring.

Management's Response:

CFDA 93.556 and CFDA 93.658

The Children, Youth and Families Department (CYFD) will ensure that staff who are responsible for performing the desk audits relating to sub-recipients will attend the training necessary to fully understand the requirements and standards as outlined by 2 CFR §200.331. The department will emphasize to staff, contractors and vendors the importance of complying to the desk review process over audit reports as it pertains to subrecipient monitoring.

STATE OF NEW MEXICO
CHILDREN, YOUTH AND FAMILIES DEPARTMENT

Schedule of Findings and Questioned Costs

Year Ended June 30, 2016

FEDERAL FINDINGS (CONTINUED)

2016-006 (Previously Finding 2015-004) Subrecipient Financial Monitoring (Repeat and Modified - Significant Deficiency and Non-Compliance) (Continued)

Management's Response (Continued):

Over the past year, the Contract Audit Section within the Administrative Services Division (ASD) has revised the desk audit and site visit monitoring tool to implement the new requirements of 2 CFR §200.331 for subrecipient monitoring. The Section also developed a process to communicate more effectively with subrecipients on issues associated with the documentation of funding received from CYFD. The Section sends quarterly communication to remind subrecipients and vendors to provide documentation as it related to the audit and financial requirements to CYFD for review. Also during the past year, ASD revised the CYFD Administrative and Fiscal Standards in April of 2016 to incorporate changes based on the new requirements and standards of the regulation. The Administrative and Fiscal Standards is a document that is attached to all agreements and contracts processed through CYFD.

The lack of timeliness in regards to the desk audits is due to insufficient staffing levels within the section to address this process and obtain and review the audit reports in a timely manner. ASD is in the process of hiring the staff necessary to fulfill this critical requirement. With the appropriate staffing level this will ensure the desk audits and review of audit reports is done in a more timely manner.

The CYFD Protective Services Division (PSD) recently incorporated a process so that program managers provide written communication to each of the subrecipient's Executive Director and CFO to reinforce the importance of maintaining proper documentation and reporting the federal funds awarded through CYFD. ASD and PSD will ensure that each executed contract or agreement contains the federal grant and funding information. This process will be incorporated into the compliance review with financial monitoring during each annual site visit.

CFDA 10.558

The Family Nutrition Bureau of the CYFD Early Childhood Services Division (ECS) will update all Permanent Agreements and checklists to include the new federal requirements in FY17 as it pertains to CFDA 10.558.

The USDA requires that each sub-recipient be reviewed for program compliance every three years, resulting in one third of the subrecipients reviewed each year. The CYFD Child and Adult Care Food Program (CACFP) is current with its compliance reviews.

All CACFP programs adhere to the federal regulation and submit their audits to Department. In the one instance noted, the Bureau did not collect the most recent audit report.

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

Status of Prior Year Audit Findings

Year Ended June 30, 2015

Finding No. 2008-002 Capital Assets (Significant Deficiency)
Status: Resolved

Finding No. 2012-001 (Renumbered as 2016-008) 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: Resolved

Finding No. 2015-001 Network Access (Compliance and Other Matters)
Status: Resolved

Finding No. 2015-002 (Renumbered as 2016-004) Allowability – Time and Effort Reporting (Significant Deficiency/Federal Noncompliance)
Status: Repeated and Modified to include non-payroll disbursements

Finding No. 2015-003 (Renumbered as 2016-005) Eligibility – (Significant Deficiency and Noncompliance)
Status: Repeated and Modified – specific to benefit payment calculation

Finding No. 2015-004 (Renumbered as 2016-006) Subrecipient Monitoring – (Significant Deficiency and Noncompliance)
Status: Repeated and Modified

Finding No. 2015-005 (Renumbered as 2016-007) Special Provisions – (Significant Deficiency/Federal Noncompliance)
Status: Repeated and Modified

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

Exit Conference

June 30, 2016

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

An exit conference was held on November 29, 2016 to discuss the audit report and audit findings.

Those in attendance were as follows:

Children Youth and Families Department

Monique Jacobson	Cabinet Secretary
John Jaramillo	ASD Director
Annette Romero	ASD Deputy Director
Elena Tercero	Chief Financial Officer
Jackie J. Hiatt	Budget Director
Mark Gonzalez	Grants 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.