

STATE OF NEW MEXICO

Commission of Public Records

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023

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INTRODUCTORY SECTION

STATE OF NEW MEXICO
Commission of Public Records
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STATE OF NEW MEXICO
Commission of Public Records
Official Roster
June 30, 2023

Board of Commissioners

Robert E. Doucette Jr. –Secretary, General Services DepartmentChair
Joseph Maestas – New Mexico, State Auditor Member
Maggie Toulouse Oliver – New Mexico, Secretary of State Member
Raul Torrez - New Mexico, Attorney General Member
Stephanie Wilson – Acting Director, Supreme Court Law Library Member
Debra Garcia y Griego – Secretary, Department of Cultural Affairs..... Member

ADMINISTRATIVE OFFICIALS

Rick Hendricks State Records Administrator
Georgette L Chavez..... Deputy State Records Administrator
Ruben Rivera..... Chief Financial Officer
Robert Wise Information Technology Management Division Director
Vacant at June 30, 2023 Office of the State Historical Services Division Director
Robert Martinez Office of the State Historian Division Director
Matt Ortiz Administrative Law Division Director
Leo Lucero Records Management Division Director

FINANCIAL SECTION



Auditors~Consultants~CPA

INDEPENDENT AUDITOR'S REPORT

Honorable Joseph M. Maestas, P.E.
New Mexico State Auditor
and
Commission of Public Records

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information and the budgetary comparisons for the general fund and major special revenue fund of the Commission of Public Records (the Commission), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

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 Commission, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and with standards applicable to financial audits contained in Governmental Auditing Standards issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was the disclosure of GASB 87 lease asset and lease liability in Note 7 and Note 8 to the financial statements which is based on dedicated future revenues to service this lease asset and lease liability of \$2,186,424.

Emphasis of a Matter

As discussed in Note 1, the financial statements of the Commission are intended to present the financial position, and the changes in financial position of only that portion of the governmental activities that are attributable to the transactions of the Commission. They do not purport to and do not present fairly the financial position of the State of New Mexico as of June 30, 2023, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, and governmental auditing standards we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 12-17 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The individual nonmajor fund financial statements (Statement A-1 and Statement A-2) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 30, 2023 on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Commission's internal control over financial reporting and compliance.

Southwest Accounting Solutions, LLC

Albuquerque, New Mexico
October 30, 2023

REQUIRED SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
COMMISSION OF PUBLIC RECORDS
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023

The Commission of Public Records' (Commission) *Management Discussion and Analysis* is designed to: assist the reader in focusing on primary issues; offer an overview of the agency's financial activity during the fiscal year; discuss significant changes in the agency's financial picture that may impact the agency's ability to address future years' challenges; identify any material deviations from the financial plan (approved budget); and identify fund issues or concerns.

The Management's Discussion and Analysis focuses on Fiscal Year (FY) 2023 activities and should be read in conjunction with the financial statements and notes that accompany it.

HIGHLIGHTS

Financial:

- The Commission's ending total net position for the year ended June 30, 2023 was \$306,024.
- The Commission's general fund appropriation was \$2,581,800.
- The Commission has three on-going funds and fund types: a general operating fund; a propriety (internal service) fund; and a non-budgeted special revenue gift and donation fund. In FY 2006, a Capital Outlay fund was created to record account for capital appropriations. The Commission received no capital outlay funds during the year ended June 30, 2023.

During the year ended June 30, 2023, reconciliations of deposits and other transactions were done for hard-copy documents and checking, where possible, against SHARE reports.

The Commission relies heavily on its general fund appropriations to support operations. It receives limited federal funding. The significant source of revenue is money collected from the sale of certain goods and services, which is deposited in the Commission's statutory internal service fund. What is still perhaps the most significant change in propriety fund revenues resulted from the publication of the New Mexico Register. In 2002, the legislature passed, and the governor signed into law, a bill amending the Public Records Act to clarify that revenues from the publication of the New Mexico Register were to be deposited into the internal service fund. By the year ended June 30, 2006, the money collected from publishing fees had become the primary source of non-appropriation revenue, surpassing the fees collected from the sale of archival and records storage boxes and supplies. During 2023, the publishing revenue continued to represent the major component of propriety fund revenues.

The Commission has a statutory mandate to produce both the New Mexico Register, which is the only official publication for executive-agency notices of intent of rule-making and final adopted rules, and the New Mexico Administrative Code (NMAC), the official compilation of those rules. The fees that are charged to agencies for publishing notices in the New Mexico Register were, prior to August, 2001, paid directly to a third-party publisher. In August of 2001, the Commission began publishing both the New Mexico Register and the NMAC in-house. An amendment to the Commission's fee schedule was adopted in November, 2016; raising the columnar-inch charge for publishing in the New Mexico Register from \$2.50 to \$3.00, effective January 1, 2017.

**STATE OF NEW MEXICO
COMMISSION OF PUBLIC RECORDS
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023**

Financial Highlights

For the year ended June 30, 2023 the Commission realized slightly lower-than-anticipated revenues in the internal service fund. Revenues collected during the year ended June 30, 2023 totaled \$157,560 (non-grant) which represents a decrease on \$44,187 or 22%.

During the year the Commission recognized an increase in expenditures over the previous year of \$342,703 or 13% in the statement of activities.

In the government wide Statement of Net Position and Statement of Activities, the Commission recognized a lease asset of net of accumulative amortization of \$1,568,258, accumulative amortization and amortization expense of \$126,538 and a lease liability of \$1,568,258. These balances are the result of the commission implementing GASB 87 related to lease assets and lease liabilities as discussed in Note 7 and Note 8 in the financial statements.

In August of 2003, DFA promulgated Rule 2.20.5 NMAC, Responsibility for Accounting Function. The rule was intended to establish responsibility for the accounting function in all state agencies and require the administrative head of each agency ensure that model accounting practices established by the Financial Control Division of DFA be followed. The effect of this rule was to limit the pre-audit function of DFA and place the responsibility for compliance on state agencies. The rule permitted an agency head to assign the responsibilities specifically outlined in the rule to a designated employee, who would be the agency's Chief Financial Officer. This designation is made annually.

Organizational

During the year ended June 30, 2023, the Commission had 35 authorized, full-time equivalent (FTE) positions. The positions are located in two facilities – one at the State-owned Archives and Records Center in Santa Fe, and the other in a leased facility in Albuquerque. All FTEs were supported through the general fund appropriation.

The management team includes the State Records Administrator, the Deputy State Records Administrator, CFO, Human Resources Bureau Chief and the Directors of the New Mexico State Archives, Administrative Law, Records Management, Office of the State Historian and the Information Technologies Divisions.

For purposes of the Accountability in Government Act, the Commission continues under a single program: records, information and archival management. Appropriations are made at the agency, or single-program level. The Commission has also identified four sub-programs: Administration, Administrative Law, Archives and New Mexico History. The Commission is organized into six divisions: Administrative Services, Administrative Law, Archives, Records Management, Office of the State Historian and Information Technology Management. In addition to this divisional structure, the New Mexico Historical Records Advisory Board, created through federal authorization and appointed by the Commission is adjunct to the Commission. During the year ended June 30, 2023, as in previous years, a Grant Administrator provided support to the Advisory Board.

**STATE OF NEW MEXICO
COMMISSION OF PUBLIC RECORDS
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023**

Using This Report

With the implementation of GASB 34, presentation of financial statements has changed from summarized fund-type information to a concentration on both the Commission (government-wide) and the major individual funds. Although the Commission is but one of many agencies within New Mexico state government, it is the primary focus of this financial report.

Management's Discussion and Analysis

The Purpose of the MD&A is to provide an objective and understandable analysis of the Commission's financial activities based on current knowledge, facts, decisions and conditions.

Government-wide Financial Statements

The statements of net position and activities depict information about the Commission as an entity, without displaying individual fund or fund types. Essentially, these statements differentiate among activities that are governmental and those that are business-like but exclude information about fiduciary funds and component units that are fiduciary in nature.

The government-wide statement of activities represents the gross and net costs per functional category that are otherwise supported by general government expenditures. It reduces gross expenses, including depreciation, by related program revenue and operating grants. The Commission has two governmental activity functions: general government, supported by general fund activities, and revenue-generating, supported by program revenues derived from charges for goods and services.

Fund Financial Statements

Fund financial statements comprise a series of statements that center on information about the major governmental funds and are prepared using the current financial resources measurement focus and the modified accrual basis of accounting.

The fund financial statements are similar to the financial statements presented in the pre-GASB 34 accounting model. Emphasis is on the major funds in either the governmental or business-type categories. Non-major funds or fund types are summarized in a single column. The Commission has one major governmental fund, supported through the general fund appropriation and through federal grants, one non-major governmental fund, the special revenue gift fund, which is not budgeted except through the BAR process.

The Commission has an internal service fund – which is non-reverting, and derives its revenues from the resale of records and archival goods, the provision of various services, and the publication of the New Mexico Register.

Notes to the Financial Statement

The notes to the financial statements consist of notes that provide information fundamental to and understanding of the basic financial statements.

**STATE OF NEW MEXICO
COMMISSION OF PUBLIC RECORDS
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023**

Budgetary Comparison

Budgetary comparison schedules are required under GASB 34 for each general fund and each major special revenue fund with a legally adopted budget. The statement of revenues and expenditures – budget and actual for the general fund is found on page 26 and the federal fund on pages 27. The agency's special revenue fund is a non-major fund that is not budgeted, except through the BAR process. These statements contain the year-end budget presentation for the general fund and the special revenue fund as required by DFA, as the internal service fund.

Statement of Net Position

Page 20 shows the statement of net position for the agency's internal service fund.

The following exhibit summarizes the Commission's net position for the Fiscal Year ended June 30, 2023; total net position (government-wide) was \$306,024 which is comprised of \$1,669,079 net investment in capital and Lease assets. Comparative analysis with prior year is included for net position and changes in net position.

A summary of Commission's Statement of Net Position for the year ended June 30, 2023 and 2022 is as follows:

Assets	2023	2022	Change
Current assets	\$ 454,282	\$ 397,445	\$ 56,837
Noncurrent assets	1,669,079	1,816,506	(147,427)
Total assets	<u>\$ 2,123,361</u>	<u>\$ 2,213,951</u>	<u>\$ (90,590)</u>
Liabilities			
Current liabilities			
Total current liabilities	294,674	317,017	(22,343)
Total noncurrent liabilities	<u>1,522,663</u>	<u>1,634,467</u>	<u>(111,804)</u>
Total liabilities	<u>1,817,337</u>	<u>1,951,484</u>	<u>1,388,516</u>
Net position			
Total net position	<u>306,024</u>	<u>262,467</u>	<u>43,557</u>
Total liabilities and net position	<u>\$ 2,123,361</u>	<u>\$ 2,213,951</u>	<u>\$ (90,590)</u>

**STATE OF NEW MEXICO
COMMISSION OF PUBLIC RECORDS
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023**

Changes in the Commission's statement of Activities for the years ended June 30, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>	<u>Change</u>
Program expenses	\$ 2,967,397	\$ 2,624,694	\$ 342,703
Program revenues	190,587	229,615	(39,028)
Net program expense	(2,776,810)	(2,395,079)	(381,731)
General revenues	2,820,367	2,351,301	469,066
Change in net position	<u>43,557</u>	<u>(43,778)</u>	<u>87,335</u>
Net position, beginning of year	262,467	306,245	(43,778)
Net position - end of the year	<u>\$ 306,024</u>	<u>\$ 262,467</u>	<u>\$ 43,557</u>

Fund Balance

At the close of the fiscal year, the total net position for governmental activities equaled \$306,024 an increase of 43,557 or 16.6%.

General Fund Budgetary Highlights

The Commission receives annual appropriations from the New Mexico State Legislature. Adjustments to the appropriated budget are made through BARs and must fall within parameters set by law and require approval by DFA State Budget Division, with review by the Legislative Finance Committee (LFC). The Commission utilizes BARs to move money among appropriated categories, as allowed by law, and to increase the budget when unbudgeted federal or other grants are received and decrease it when revenues fall short of projections. Money from the gift and donation fund is also budgeted through BARs. During the year ended June 30, 2023, five internal (within program area) BARs were completed. The first BAR was a category transfer in federal fund of \$13,200 from the 400 Other category to the 300 Contractual Services category. The second BAR was a general fund category transfer of \$74,000 from the 200 Personal Services and Benefits category to the 400 Other category. The Third BAR was a general fund category transfer of \$31,500 from the 200 Personal Services & Benefits category to the 400 Other category and \$25,000 from the 300 Contractual Services category to the 400 other category. The fourth BAR was a general fund category transfer of \$5,000 from the 300 Contractual Services category to the 200 Personal Services and Benefits category and a \$9,000 from the 400 Other category to the 200 Personal Services and Benefits category. The final BAR, processed by the Commission, was a federal fund category transfer of \$3,100 from the 300 Contractual Services category to the 400 Other category.

Capital Assets and Debt Administration

The Commission's net investment in capital and Lease assets totaled \$100,821, net of accumulated depreciation, as of June 30, 2023. This investment is primarily in information technology, other equipment and the capital lease asset. Depreciation expense and lease amortization for the year ended June 30, 2023 was \$147,427.

At June 30, 2023 the Commission had lease liabilities of \$1,568,258. Total compensated absences payable totaled \$164,755 with \$85,792 allocated to the current portion.

**STATE OF NEW MEXICO
COMMISSION OF PUBLIC RECORDS
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2023**

Economic Factors and Subsequent Benefits

The Commission depends on appropriations from the New Mexico State Legislature, supplemented by a small federal grant. The General Fund Appropriation for the year ended June 30, 2023, as originally authorized, was \$2,768,500. No additional money was appropriated other than IT appropriation.

The Commission had one general fund IT related special appropriation in the amount of \$66,600 for the year ended June 30, 2023.

The Commission did not spend any of the special appropriation during fiscal year 2023.

The Commission continued to face budgetary challenges in the "other" budget category, which once again failed to keep pace with agency needs. The general fund allotted monies at the beginning of FY23 in the 400 Other category was \$79,300. The amount was increased during the year to \$200,800 through BARs. The BARs were possible because of vacancy savings in the 200 category (personal services and benefits). The agency was able to BAR a total of \$121,500 into the 400 category during FY23. The amount of the three BARs were from the state general fund. This allowed the agency to cover half of the rent expense for its Albuquerque records facility. The BARs also gave the agency the funds needed to purchase two PowerEdge servers, IT licenses, and IT equipment but no capital additions. The BARs did not affect the agency's fixed costs.

There was no budget reduction in fiscal year 2023.

Economic Factors and Subsequent Budgets

The Commission depends on appropriations from the New Mexico State Legislature, supplemented by small federal and other grants. General Fund Appropriation for the year ended June 30, 2023, as originally authorized, was \$2,515,200. An additional \$66,600 was appropriated.

The Commission had no special appropriation funds for the year ended June 30, 2023.

Request for Information

This financial report is designed to provide an overview of the Commission of Public Records' finances for all interested parties. If you have questions about this report or need additional information, contact:

New Mexico Commission of Public Records
State Records Center and Archives
1205 Camino Carlos Rey
Santa Fe, New Mexico 87507-5166
(505) 476-7902

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BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO
Commission of Public Records
Statement of Net Position
June 30, 2023

Exhibit A-1

	Governmental Activities
Assets	
Current assets	
State general fund investment pool	\$ 417,279
Petty cash	150
Receivables, net	15,920
Due from federal government	20,933
Total current assets	454,282
Noncurrent assets	
Capital assets	1,111,465
Less: Accumulative depreciation	(1,010,644)
Intangible right-to-use lease asset	1,822,948
Less: Accumulative amortization - lease asset	(254,690)
Total noncurrent assets	1,669,079
Total assets	\$ 2,123,361
Liabilities	
Current liabilities	
Accounts payable	\$ 18,158
Accrued salaries and benefits	50,378
Accrued compensated absences	85,792
Overdrawn cash	15,788
Lease liability	124,558
Total current liabilities	294,674
Noncurrent liabilities	
Accrued compensated absences	78,963
Lease liability	1,443,700
Total noncurrent liabilities	1,522,663
Total liabilities	1,817,337
Net position	
Net investment in capital assets	100,821
Restricted for:	
General Fund	92,297
Special Revenue	6,008
Unrestricted	106,898
Total net position	306,024
Total liabilities and net position	\$ 2,123,361

See Independent Auditors' Report and Notes to Financial Statements

STATE OF NEW MEXICO
Commission of Public Records
Statement of Activities
For the Year Ended June 30, 2023

Exhibit A-2

	Governmental Activities
Program expenses	
Personal services and employee benefits	\$ 2,536,575
Contractual services	43,831
Other costs	218,954
Interest expense - lease	20,610
Amortization expense - Lease	126,538
Depreciation expense	20,889
Total program expenses	<u>2,967,397</u>
Program revenues	
Sales	157,560
Capital grants and contributions	33,027
Total program revenues	<u>190,587</u>
Net program expense	<u>(2,776,810)</u>
General revenues (expenses)	
Transfers in-state appropriations	253,300
Transfers in-state general fund appropriations	2,581,800
Reversions to the state general fund (Note 10)	(14,733)
Total general revenues	<u>2,820,367</u>
Change in net position	43,557
Net position, beginning of year	262,467
Net position - end of the year	<u><u>\$ 306,024</u></u>

See Independent Auditors' Report and Notes to Financial Statements

STATE OF NEW MEXICO
Commission of Public Records
Balance Sheet
Governmental Funds
For the Year Ended June 30, 2023

Exhibit B-1
Page 1 of 2

	General Fund 17900	Federal Fund 20850	Non-Major Funds	Total
Assets				
State general Fund Investment pool	\$ 155,240	\$ -	\$ 6,008	\$ 161,248
Due from federal government	470	20,463	-	20,933
Total assets	<u>155,710</u>	<u>20,463</u>	<u>6,008</u>	<u>182,181</u>
Liabilities and fund balance				
Liabilities				
Overdrawn cash	-	15,788	-	15,788
Accounts payable	13,035	4,675	-	17,710
Accrued salaries and benefits	50,378	-	-	50,378
Total liabilities	<u>63,413</u>	<u>20,463</u>	<u>-</u>	<u>83,876</u>
Fund balance				
Restricted for:				
General government	92,297	-	6,008	98,305
Total fund balances	<u>92,297</u>	<u>-</u>	<u>6,008</u>	<u>98,305</u>
Total liabilities and fund balances	<u>\$ 155,710</u>	<u>\$ 20,463</u>	<u>\$ 6,008</u>	<u>\$ 182,181</u>

See Independent Auditors' Report and Notes to Financial Statements

STATE OF NEW MEXICO
Commission of Public Records
Governmental Funds

Exhibit B-1
Page 2 of 2

Reconciliation of the Balance Sheet to the Statement of Net Position
June 30, 2023

Total Fund Balance - Governmental Funds	\$	98,305
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets		859,448
Accumulative depreciation		(758,627)
Lease asset		455,737
Lease accumulative amortization		(95,698)

Internal service funds are used by management to charge for the resale of records, goods, services, and publications. The assets and liabilities of the internal service funds are included in governmental activities in the government-wide statement of net position:

Total net position, ending		271,653
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Long-term and certain other liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term and other liabilities at year end consist of:

Lease liability		(360,039)
Compensated absences payable		(164,755)

Total net position of governmental activities	\$	306,024
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STATE OF NEW MEXICO
Commission of Public Records
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

Exhibit B-2
Page 1 of 2

	General Fund 17900	Federal Fund 20850	Non-Major Fund 75800	Total
Revenues				
Federal capital grants	\$ -	\$ 32,997	\$ -	\$ 32,997
Miscellaneous	-	-	30	30
Total revenue	<u>-</u>	<u>32,997</u>	<u>30</u>	<u>33,027</u>
Expenditures				
Administrative services				
Current				
Personal services and benefits	2,521,361	-	-	2,521,361
Contractual services	38,270	-	-	38,270
Other costs	120,106	32,997	-	153,103
Debt service				
Principal	63,660	-	-	63,660
Interest	10,369	-	-	10,369
Total expenditures	<u>2,753,766</u>	<u>32,997</u>	<u>-</u>	<u>2,786,763</u>
Excess (deficiency) of revenues over expenditures	<u>(2,753,766)</u>	<u>-</u>	<u>30</u>	<u>(2,753,736)</u>
Other financing sources (uses)				
Transfers in-other financing sources	253,300	-	-	253,300
Transfers in-general fund appropriation	2,581,800	-	-	2,581,800
Reversions to the state general fund (Note 10)	(14,733)	-	-	(14,733)
Total other financing sources (uses)	<u>2,820,367</u>	<u>-</u>	<u>-</u>	<u>2,820,367</u>
Net change in fund balance	66,601	-	30	66,631
Fund balance - beginning of year	25,696	-	5,978	31,674
Fund balance - end of year	<u>\$ 92,297</u>	<u>\$ -</u>	<u>\$ 6,008</u>	<u>\$ 98,305</u>

STATE OF NEW MEXICO Commission of Public Records Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities For the Year Ended June 30, 2023	Exhibit B-2 Page 2 of 2
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Net Change in Fund Balance - Governmental Funds	\$	66,631
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Amounts reported for governmental activities in the statement of activities
are different because:

Governmental funds report capital outlay and amortization as expenditures.
However, in the statement of activities, the cost of those assets is allocated over
their estimated useful lives and reported as depreciation expense:

Depreciation expense	(20,889)	
Lease amortization expense	(63,660)	

The internal service fund is used by management to charge for resale of
records, goods, services and publications. The Net (loss) revenue of the internal
service fund is reported with governmental activities:

Internal service fund change in net position	13,029	
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Expenses reported in the statement of activities that do not require the use of
current financial resources and therefore are not reported as expenditures in the
governmental funds:

Increase in accrued compensated absences	(15,214)	
Lease principal payments	63,660	

Change in Net Position of Governmental Activities	\$	<u>43,557</u>
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STATE OF NEW MEXICO
Commission of Public Records
General Fund 17900

Exhibit C-1

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2023

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original	Approved Final	Actual	Final to actual
Revenues				
Federal funds	\$ -	\$ -	\$ -	\$ -
Other Financing sources	253,300	253,300	253,300	-
State general fund	2,515,200	2,581,800	2,581,800	-
Total revenue	<u>2,768,500</u>	<u>2,835,100</u>	<u>2,835,100</u>	<u>-</u>
Expenditures				
Current				
Personal services and benefits	2,621,800	2,530,300	2,521,361	8,939
Contractual services	67,400	37,400	112,299	(74,899)
Other costs	79,300	200,800	119,656	81,144
Capital outlay	-	-	-	-
Total expenditures	<u>2,768,500</u>	<u>2,768,500</u>	<u>2,753,316</u>	<u>15,184</u>
Excess of revenue over expenditures			81,334	
Reversion to the State General Fund			(14,733)	
Net Change in fund balance (GAAP basis)			<u>\$ 66,601</u>	

See Independent Auditors' Report and Notes to Financial Statements

STATE OF NEW MEXICO
Commission of Public Records
Federal Funds 20850

Exhibit C-2

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2023

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original	Approved Final	Actual	Final to actual
Revenues				
Federal funds	\$ 40,000	\$ 40,000	\$ 32,997	\$ (7,003)
Other Financing sources	-	-	-	-
State general fund	-	-	-	-
Total revenue	<u>40,000</u>	<u>40,000</u>	<u>32,997</u>	<u>(7,003)</u>
Expenditures				
Current				
Personal services and benefits				-
Contractual services	16,300	-	-	-
Other costs	23,700	40,000	32,997	7,003
Capital outlay		-	-	-
Total expenditures	<u>40,000</u>	<u>40,000</u>	<u>32,997</u>	<u>7,003</u>
Excess of revenue over expenditures			-	
Reversion to the State General Fund			-	
Net Change in fund balance (GAAP basis)			<u>\$ -</u>	

See Independent Auditors' Report and Notes to Financial Statements

STATE OF NEW MEXICO
Commission of Public Records
Statement of Net Position
Proprietary Funds
June 30, 2023

Exhibit D-1

	Governmental Activities Internal Service Fund 37100
Assets	
State general fund investment pool	\$ 256,031
Petty cash	150
Receivables, Net	15,920
Total current assets	<u>272,101</u>
Noncurrent assets	
Capital assets	252,017
Less: Accumulative depreciation	(252,017)
Intangible right-to-use lease asset	1,367,211
Accumulative amortization - lease asset	(158,992)
Total noncurrent assets	<u>1,208,219</u>
Total Assets	<u><u>\$ 1,480,320</u></u>
Liabilities and net position	
Liabilities	
Accounts payable	\$ 448
Lease liability	92,924
Total current liabilities	<u>93,372</u>
Noncurrent liabilities	
Lease liability	1,115,295
Total Noncurrent liabilities	<u>1,115,295</u>
Total liabilities	<u><u>1,208,667</u></u>
Net position	
Net investment in capital asset	-
Unrestricted	271,653
Total net position	<u>271,653</u>
Total liabilities and net position	<u><u>\$ 1,480,320</u></u>

See Independent Auditors' Report and Notes to Financial Statements

STATE OF NEW MEXICO
Commission of Public Records
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2023

Exhibit D-2

	Governmental Activities
	Internal Service Fund
	37100
Operating revenues:	
Charges for services	\$ 157,560
Total operating revenues	<u>157,560</u>
Operating expenses:	
Contractual services	5,561
Other costs	65,851
Amortization expense - lease	62,878
Total operating expense	<u>134,290</u>
Operating income (loss)	<u>23,270</u>
Non-operating revenues (expenses)	
Interest expense	(10,241)
Total non-operating revenues (expense)	<u>(10,241)</u>
Change in net position	<u>13,029</u>
Net Position, beginning of year	258,624
Net Position - end of the year	<u><u>\$ 271,653</u></u>

See Independent Auditors' Report and Notes to Financial Statements

STATE OF NEW MEXICO
Commission of Public Records
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

Exhibit D-3

	Governmental Activities
	Internal Service Fund
	37100
Cash flow from operating activities	
Cash received from customers	\$ 158,681
Cash payments to suppliers for goods and services	(71,335)
Net cash provided from operating activities	\$ 87,346
Cash flow from capital and related financing activities	
Lease interest payments	\$ (10,241)
Lease principal payments	(62,878)
Net cash provided (used) by capital and related financing activities	\$ (73,119)
Net Change in cash and Cash equivalents	\$ 14,227
Cash & cash equivalents - beginning of year	241,954
Cash & cash equivalents - end of year	\$ 256,181
Reconciliation of operating income (loss) to net cash provided (used) by operating activities	
Operating income (loss)	\$ 23,270
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities	
Amortization expense	62,878
Changes in assets & liabilities:	
Receivables	1,121
Accounts payable	77
Net cash provided (used) by operating activities	\$ 87,346

State of New Mexico
Commission of Public Records
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 1. Summary of Significant accounting Policies

The Commission (Commission) of Public Records was created under Section 14-3-3, NMSA 1978. The Commission consists of the Secretary of State, the Secretary of the General Services Department, the State Law Librarian, the Director of the Museum of New Mexico, the State Auditor, the Attorney General, and a recognized professionally trained historian in the field of New Mexico history who is a resident of New Mexico, appointed by the Governor for a period of six years. The Commission employs a records administrator who supervises and controls the records center.

The Commission is divided into six divisions: the Archives and Historical Services Division which organizes and maintains official archives and historical private collections and makes them accessible to all patrons; the Records Management Division, which has statutory responsibility for efficient and economical records management; the Administrative Services Division which is responsible for the administrative duties; the Administrative Law Division which implements the State Rules Act; the Information Technology Division which provides information and technology support; and the Office of the State Historian which promotes an understanding of New Mexico history.

A. Financial Reporting Entity

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

In evaluating how to define the Commission, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14 as amended by GASB Statements No. 39 and No. 61. Blended component units, although legally separate entities, are in substance part of the government's operations.

The basic, but not the only criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity. Based upon the application of these criteria, the Commission does not have any component units required to be reported under GASB Statements No. 14, No. 39, and No. 61 but is included in the New Mexico state-wide Annual Comprehensive Financial Report (ACFR).

State of New Mexico
Commission of Public Records
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 1. Summary of Significant accounting Policies (continued)

B. Government Wide and Fund Financial Statements

The accounting policies of the Commission conform to generally accepted accounting principles (GAAP) as applicable to governments. A summary of the Commission's significant accounting policies follows:

In June, 1999, GASB unanimously approved Statement No. 34, Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments. The significant changes in the statement include the following:

- A Management Discussion and Analysis (MD&A) section, written by management and providing an analysis of the Commission's financial position and the results of operations
- Financial statements prepared using the full accrual method of accounting for all of the Commission's activities.
- A change in the fund financial statements to focus on major funds.

These and other changes are reflected in the accompanying financial statements including notes to financial statements.

The basic financial statements include both government-wide (based on the Commission as a whole) and fund financial statements. Both the government-wide and fund financial statements categorize primary activities as governmental activities.

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Non-exchange Transactions.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Commission's Net Position is reported in three parts; net investments in capital assets; restricted net position; and unrestricted net position.

State of New Mexico
Commission of Public Records
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 1. Summary of Significant accounting Policies (continued)

B. Government Wide and Fund Financial Statements (continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

C. Measurement focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both 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 commission considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the Commission as a whole; program revenues reduce the cost of the function to be financed from the Commission's general revenues. Program revenues are categorized as (a) charges for services, which include revenues collected for fees, etc., (b) program-specific operating grants, which includes revenues received from state and federal sources to be used as specified within each program grant agreement, and (c) program-specific capital grants and contributions, which include revenues from state sources to be used for capital projects. Internally dedicated resources are reported as general revenues rather than as program revenues.

The accounts of the Commission are organized on a fund basis, 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 and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based on the purposes for which spending activities are controlled. The following fund types are used by the Commission:

State of New Mexico
Commission of Public Records
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 1. Summary of Significant accounting Policies (continued)

C. Measurement focus, Basis of Accounting, and Financial Statement Presentation (continued)

Governmental Fund Types:

The General Fund is funded primarily through appropriations from the State of New Mexico General Fund and a small federal grant. The Statewide Human Resources, Accounting and Management Reporting System (SHARE) fund number and description is # 17900 — State Commission — Public Records. The General Fund is a reverting fund.

The Federal Fund is funded by the National Historical Publications and Records Commission and is non-reverting per Section 14-3-5, NMSA 1978. The fund is used to provide capital grants to various organizations in the state. The SHARE fund number and description is # 20850 — State Commission — Records Center. This is a non-reverting fund.

Special Revenue Fund — The Special Revenue Fund is used to account for specific revenues that are legally restricted to expenditures for particular purposes. The Special Revenue Fund receives money from private donations. The SHARE fund number and description is # 75800— State Commission — Public Records. The Special Revenue Fund is non-reverting per Section 14-3-5, NMSA 1978. This is a non-budgeted fund.

Capital Projects Fund — The Capital Projects Fund was created by a FY 2005 State General Fund appropriation to the Commission to purchase furniture and equipment. The SHARE number is # 65800. A budget was not established for this fund during the year ended June 30, 2023. This fund had no activity or ending balances during the year.

Governmental Activities Internal Service Fund:

The Internal Service fund is used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies within the government (internal service funds). The Commission maintains one internal service fund which is reported within the governmental activities. The SHARE fund number and description is # 37100 — State Commission — Records Center. This is a non-reverting fund.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

State of New Mexico
Commission of Public Records
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 1. Summary of Significant accounting Policies (continued)

D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, Net Position and Fund Balance

State Treasurer General Fund Investment Pool

All of the Commission's cash is held by the New Mexico State Treasurer. Deposits are non-interest bearing. The carrying value of all such cash deposits is shown on Note 2. Monies deposited by the Commission with the State Treasurer are pooled and invested by the State Treasurer. The State Treasurer issues separate financial statements which disclose collateral pledged to secure these deposits. For purposes of the Statements of Cash Flows, the Governmental Activities Internal Service Fund considers cash on hand and investment in the State Treasurer General Fund Investment Pool to be cash and cash equivalents.

Inventory

Inventories are reported at cost and the first-in, first-out method of determining inventory valuation is used.

Capital Assets, net

Capital assets of the Commission consist of computer equipment, furniture and fixtures, equipment and vehicles. The Commission does not have any infrastructure.

New Mexico Laws of 2005, Chapter 237, Section 1 changed the capitalization threshold for movable chattel and equipment items costing more than \$5,000. Depreciation is shown over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Assets	Years
Buildings and improvements	10-20
Machinery and equipment	5-20
Furniture and fixtures	5-25
Vehicles	5
Data Processing	5-10

Donated capital assets are recorded at estimated fair market value at the date of donation. Computer software which is purchased in conjunction with computer hardware is included as part of the capitalized computer equipment in accordance with 2.20.1.9 C (5). The cost of maintenance and repairs that do not add to the asset value or materially extend assets' useful lives are not capitalized. The Commission does not undertake major capital projects involving interest costs during the construction phase. There is no debt related to the capital assets.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

State of New Mexico
Commission of Public Records
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 1. Summary of Significant accounting Policies (continued)

D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, Net Position and Fund Balance (continued)

Deferred Outflows and Deferred Inflows of Resources (continued)

In addition to assets, the statement of financial position will sometimes include a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position which applies to a future period and so will not be recognized as an outflow of resources that is expensed, until then. The Commission does not have any of this type of item.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources until such time. The Commission does not have any of this type of item.

Lease Liability and Lease asset

A lessee recognizes a lease liability and a lease asset at the commencement of the lease term, unless the lease is a short-term lease or it transfers ownership of the underlying asset. The lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease asset is measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs.

The lessee liability is reduced as payments are made and recognize an outflow of resources (for example, expense) for interest on the liability. The lessee asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. Note # 8 includes a description of leasing arrangements, the amount of lease assets recognized, and a schedule of future lease payments to be made.

Net Position: The government-wide financial statements utilize a net position presentation. Net position is categorized as follows:

Net Investment in Capital Assets - Net investment in capital assets consist of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position – Consist of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position – All other net position that do not meet the definition of “restricted” or “investment in capital assets, net of related debt.”

State of New Mexico
Commission of Public Records
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 1. Summary of Significant accounting Policies (continued)

D. Assets, Liabilities, Deferred Outflows and Inflows of Resources, Net Position and Fund Balance (continued)

Fund Balance: During 2009, GASB adopted Statement No. 54 to clarify the fund balance reporting guidelines of GASB 54. The fund balance reporting established by GASB 54 must be followed by all five of the governmental-type funds used by state and local governments. Based on the requirements of GASB 54, the total fund balance can be conceptually separated into two primary components: 1) Non-spendable fund balance and 2) Spendable fund balance. Fund balance is reported in these five classifications:

Non-spendable – the non-spendable balance includes amounts that cannot be spent because they are not in spendable form or legally, contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash; it also includes the long-term amount of inter-fund loans. At June 30, 2023 the Commission reported \$50 in non-spendable fund balances.

Restricted – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or are imposed by law through constitutional provisions or enabling legislation.

Committed – This fund balance amount has spending limitations that are constrained by the government’s highest level of decision-making authority.

At June 30, 2023, the Commission has presented restricted fund balance on the governmental funds balance sheet in the amount of \$98,305 for various operations as restricted and committed by enabling legislation in the special revenue funds. The details of these fund balance items are located on the governmental funds balance sheet as detailed on page 22.

Assigned – The assigned fund balance classification is intended to be used for specific purposes such as special revenue funds, capital project funds, debt service funds, and permanent funds.

Unassigned –In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

The Commission applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

State of New Mexico
Commission of Public Records
Notes to the Financial Statements
For the Year Ended June 30, 2023

E. Budgets and Budgetary Accounting

The State Legislature makes annual appropriations to the Commission of Public Records. Legal compliance is monitored through the establishment of annual budgets for the general fund and internal service fund. Budgets were not established for the capital projects fund or the special revenue fund.

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

1. The Commission of Public Records submits a proposed budget to the New Mexico State Legislature for the fiscal year commencing the following July 1. The State Legislature must approve the budget prior to its legal enactment.
2. Budgets are controlled at the appropriation unit level.
3. Any adjustment to the budget must be submitted to and approved by DFA in the form of a budget adjustment request.
4. The budget for the Commission is adopted on a modified accrual basis of accounting. Per the General Appropriations Act, Chapter 6, Laws of 2010, Section 3, paragraph M; the budgetary basis is modified accrual. However, there is a statutory exception.
5. The budget is adopted on the modified accrual basis of accounting except for accounts payable accrued at the end of the fiscal year that do not get paid by the statutory deadline per Section 6-10-4 NMSA 1978. Those accounts payable require approval to pay prior year bills out of the year end June 30, 2023 budget. At June 30, 2023, there were none.

Balances remaining at the end of the fiscal year from appropriations made from the state general fund shall revert to the appropriate fund, unless otherwise indicated in the appropriations act or otherwise provided by law.

F. Operating Transfers

State general fund appropriations are recognized as operating transfers-in during the year the appropriation is made.

G. Estimates

Preparation of financial statements in accordance with generally accepted accounting principles requires the use of management estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

State of New Mexico
Commission of Public Records
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 1. Summary of Significant accounting Policies (continued)

H. Interfund Activity

Interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements. The interfund balances shown on the balance sheets governmental funds are for reimbursement of expenditures paid out of those funds.

NOTE 2. Cash and Cash equivalents

Account Name	Share Fund #	Balance Per Depository (Agency)	Adjustments (Reversions)	Balance per Books
General Fund	17900	\$ 157,487	\$ (2,247)	\$ 155,240
Federal Fund	20850	(15,788)	-	(15,788)
Special Revenue Fund	75800	6,008	-	6,008
Internal Service Fund	37100	256,031	-	256,031
Petty Cash	37100	150	-	150
Total Cash		\$ 403,888	\$ (2,247)	\$ 401,641

All cash, other than petty cash, is on deposit with the State Treasurer Office in the General Fund Investment Pool. In general, state statutes require that all deposits be collateralized at a minimum level of 50%. Collateral pledged to secure these deposits is monitored by State Treasurer Office and the State Treasurer Office issues separate financial statements which disclose the collateral pledged to secure these deposits.

Custodial Credit Risk - Custodial Credit Risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned. The Commission does not have a policy for custodial credit risk. The Commission does not maintain any deposit accounts outside of the State Treasurer Office who is responsible for collateralizing the Commissions cash.

**State of New Mexico
Commission of Public Records
Notes to the Financial Statements
For the Year Ended June 30, 2023**

NOTE 3. Receivables

Receivables as of June 30, 2023 were as follows:

	General Fund 17900	Federal Fund 20850	Internal Service Fund 37100	Total
Federal grants	\$ 470	\$ 20,463	\$ -	\$ 20,933
Miscellaneous	-	-	15,920	15,920
Total	<u>\$ 470</u>	<u>\$ 20,463</u>	<u>\$ 15,920</u>	<u>\$ 36,853</u>

Accounts receivable in the Internal Service Fund at June 30, 2023 are various receivables from the State of New Mexico. The total internal service fund receivables at year-end were \$23,093. The allowance for uncollectable accounts was \$7,173 at June 30, 2023 for a net amount of \$15,920. All other receivables are deemed 100% collectable.

Amounts due from federal government are related to a Federal Grants. \$20,933 was due to the Commission as of June 30, 2023. All amounts due from federal government are expected to be fully collected.

NOTE 4. Inventory

At times the commission will have inventory of boxes and other office supplies available for visitor use. At June 30, 2023 the Commission held no inventory.

NOTE 5. Estimates of Archival Holdings

The Commission's archival holdings contain valuable collections which have been catalogued but have not been valued or appraised. These holdings do not meet the criteria for capitalization under GASB 34.

The Commission has estimated the value of the archival holdings for insurance purposes. A report issued October 19, 1995 by the Deputy Administrator of the Commission values these holdings at \$273,815,000. This estimate is for information purposes only, and no other current information is available.

State of New Mexico
Commission of Public Records
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 6. Capital Assets

Capital asset activity for Governmental Funds for the year ended June 30, 2023 was as follows:

Governmental Activities:	Balance June 30, 2022	Additions	Balance June 30, 2023
Capital assets being depreciated:			
Buildings and improvements	\$ 4,657	-	\$ 4,657
Information Technology Equipment	437,741	-	437,741
Equipment	287,676	-	287,676
Furniture and fixtures	104,786	-	104,786
Library and Museum Acquisitions	23,299	-	23,299
Depreciable land and Museum acquisitions	1,289	-	1,289
Total capital assets, depreciated	<u>859,448</u>	<u>-</u>	<u>859,448</u>
Less accumulated depreciation:			
Buildings and improvements	4,657	-	4,657
Information Technology Equipment	429,049	4,535	433,584
Equipment	237,242	14,527	251,769
Furniture and fixtures	61,087	1,625	62,712
Library and Museum Acquisitions	4,414	202	4,616
Depreciable land and Museum acquisitions	1,289	-	1,289
Total accumulated depreciation	<u>737,738</u>	<u>20,889</u>	<u>758,627</u>
Capital Assets, Net	<u>\$ 121,710</u>		<u>\$ 100,821</u>

Current year depreciation expense is \$20,889 related to general government. There is no debt related to capital assets.

The Internal Service Fund's capital asset activity for the year ended June 30, 2023 was as follows:

Governmental Activities / Internal Service Fund:	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Capital asset depreciated:				
Information Technology Equipment	\$ 252,017	-	-	\$ 252,017
Total capital assets, depreciated	<u>252,017</u>	<u>-</u>	<u>-</u>	<u>252,017</u>
Less accumulated depreciation:				
Information Technology Equipment	252,017	-	-	252,017
Total accumulated depreciation	<u>252,017</u>	<u>-</u>	<u>-</u>	<u>252,017</u>
Capital Assets, Net	<u>\$ -</u>			<u>\$ -</u>

**State of New Mexico
Commission of Public Records
Notes to the Financial Statements
For the Year Ended June 30, 2023**

NOTE 7. GASB 87 Intangible Right-to-Use Lease Asset

During the fiscal year 2022 the commission implemented GASB 87. The Commission leases a 17,323 square foot facility consisting of 1,290 square feet of office space and 16,033 square feet of file storage space. The lease agreements have been recorded at the present value of the future lease payments as of the date of their inception, for leases existing prior to the implementation year at the remaining terms of the agreement, using the facts and circumstances available at June 30, 2023.

The lease agreement was in effect on January 1, 2017, to lease a building through January 1, 2036, requiring 240 monthly payments between \$11,848 and \$14,692 as noted in the principal and interest requirements to maturity in Note 8. The lease liability is measured at the implied interest rate in the lease agreement of 2.5%. As a result of the lease, the Commission has an intangible right-to use lease asset with a net book value of \$1,568,258, and a lease liability of \$1,568,258 at June 30, 2023.

The Commission allocated 75% of the lease asset and lease liability to the internal service fund. This allocation is an estimate and the allocation of the lease liability and lease asset may require future restatements based on the future allocation of the lease payments made out of the Internal service fund and the General fund which are unknown as of June 30, 2023.

The Commission recognized the following lease asset and accumulative amortization as of June 30, 2023:

Governmental Activities:	Balance June 30, 2022	Additions	Balance June 30, 2023
Intangible right-to-use lease asset	1,822,948	-	\$ 1,822,948
Total Lease asset,	1,822,948		1,822,948
Less accumulated amortization:			
Intangible right-to-use lease asset	128,152	126,538	254,690
Total accumulated amortization	128,152	126,538	254,690
Lease asset Net,	<u>\$ 1,694,796</u>		<u>\$ 1,568,258</u>

State of New Mexico
Commission of Public Records
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 8. Long Term Debt

The following is a summary of changes in long term debt which includes the commission implementation of GASB 87 and compensated absences at June 30, 2023:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year
Lease liability	\$ 1,694,796	\$ -	\$ (126,538)	\$ 1,568,258	\$ 124,558
Compensated Absences	149,541	101,006	(85,792)	164,755	85,792
	<u>\$ 1,844,337</u>	<u>\$ 101,006</u>	<u>\$ (212,330)</u>	<u>\$ 1,733,013</u>	<u>\$ 210,350</u>

During the fiscal year ending June 30, 2023 the commission paid rent expense of \$147,148 which was reclassified by the commissions management as principal and interest expense of \$126,838 and \$20,610 respectively.

Principal and interest requirements to maturity for each of the five subsequent fiscal years and in five-year increments thereafter for the lease liability are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 124,558	\$ 24,028	\$ 148,586
2025	123,426	27,454	150,880
2026	121,926	30,890	152,816
2027	120,464	34,338	154,802
2028	119,036	37,799	156,835
2029-2033	574,718	241,443	816,161
2034-2038	384,130	222,214	606,344
	<u>\$ 1,568,258</u>	<u>\$ 618,166</u>	<u>\$ 2,186,424</u>

Compensated absences increased by \$15,214 during fiscal year ending June 30, 2023. The General fund is used to liquidate compensated absences.

NOTE 9. Inter-agency Transfers

The Commission of Public Records General fund (CPRGF) recorded inter-agency transfers between the State General Fund and between its CPRGF and the Commissions Internal Service Fund (ISF) as follows:

Transfer In	Transfer Out	Amount	Purpose
CPRGF (17900)	State General Fund (34101)	\$2,581,800	General Funding
CPRGF (17900)	State General Fund (34101)	253,300	Special Appropriation
State General Fund (34101)	CPRGF (17900)	(14,733)	Reversion
		<u>\$2,820,367</u>	

NOTE 10. Reversion

If the Commission has excess allotment funds at the end of a fiscal year, the funds are reverted back to the State of New Mexico. The reversion to the State General Fund for the year ended June 30, 2023 was \$14,733.

State of New Mexico
Commission of Public Records
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 11. Pension Plan – Public Employee’s Retirement Association

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

The Commission, as part of the primary government of the State of New Mexico, is a contributing employer to a cost-sharing multiple employers defined benefit pension plan administered by the Public Employees Retirement Association (PERA). Disclosure requirements for governmental funds apply to the primary government as a whole, and as such, this information will be presented in the Component Appropriation Funds Annual Financial Report (General Fund) and the Annual Comprehensive Financial Report (ACFR) 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 ACFR 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.

Plan description

Substantially all of the Commission's full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article I NMSA 1978). The Public Employees Retirement Fund (PERA Fund) is a cost-sharing, multiple employer defined benefit pension plan. This fund has six divisions of members, including State General, State Police/Adult Correction Officer, Municipal General, Municipal Police/Detention Officers, Municipal fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA plan. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of this plan. Certain coverage plans are only applicable to a specific division. Eligibility for membership in the PERA Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10-11A-1 to 10-11A-7, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C-1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), and the provisions of Sections 29-4-1 through 29-4-11, NMSA 1978 governing the State Police Pension Fund, each employee and elected official of every affiliated public employer is required to be a member in the PERA Fund.

PERA issues a publicly available financial report and a Annual Comprehensive Financial Report that can be obtained at <http://www.nmpera.org/financial-overview/comprehensive-annual-financial-report>.

Funding Policy

Plan members are required to contribute 9% of their gross salary. The Commission is required to contribute 16.59% of the gross covered salary. The contribution requirements of plan members and the Commission Office are established under Chapter 10, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The Commission's contributions to PERA for the years ending June 30, 2023, 2022, and 2021 were \$336,790, \$287,373, and \$262,943, respectively, equal to the amount of the required contributions for each year.

State of New Mexico
Commission of Public Records
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 12. Deferred Compensation

The State of New Mexico offers state, local government and school district employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all State employees and those local government and school district employees whose employers have elected to participate in the plan and permits participants to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

There are employees that are making contributions to a Deferred Compensation Plan. Neither the Commission nor the State of New Mexico contributes to the Deferred Compensation Plan. All contributions withheld from participants by the Commission have been paid to the New Mexico Public Employee's Retirement Association, which administers the plan.

NOTE 13. Post-Employment Benefits – State Retiree Health Plan

Compliant with the requirements of Government Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State of New Mexico has implemented this standard in fiscal year 2018.

The Department as part of the primary government of the State of New Mexico, is a contributing employer to a cost-sharing multiple-employer defined benefit postemployment health care plan that provides comprehensive group health insurance for persons who have retired from certain public service positions in New Mexico. The other post-employment benefits (OPEB) Plan is administered by the Retiree Health Care Authority of the State of New Mexico. Overall, total OPEB liability exceeds OPEB Plan net position resulting in a net OPEB liability. The State has determined the State's share of the net OPEB liability to be a liability of the State as a whole, rather than any agency or department of the State and the liability will not be reported in the department or agency level financial statements of the State. All required disclosures will be presented in the Annual Comprehensive Financial Report (ACFR) of the State of New Mexico.

Information concerning the net liability, benefit expense, and benefit-related deferred inflows and deferred outflows of resources of the primary government will be contained in the State of New Mexico Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2022 and will be available, when issued, from the Office of the State Controller, Room 166, Bataan Memorial Building, 407 Galisteo Street, Santa Fe, New Mexico, 87501.

Plan Description

The Commission contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple- employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA).

The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978).

STATE OF NEW MEXICO
Commission of Public Records
Notes to the Financial Statements
For the Year Ended June 30, 2022

NOTE 13. Post-Employment Benefits – State Retiree Health Plan (continued)

The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

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

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

Funding Policy

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

The 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 employees after January 1, 1998 are required to make contributions to the RHCA fund in the amount determined to be appropriate by the board.

STATE OF NEW MEXICO
Commission of Public Records
Notes to the Financial Statements
For the Year Ended June 30, 2022

NOTE 13. Post-Employment Benefits – State Retiree Health Plan (continued)

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal Judicial Retirement Act) during the fiscal year ended June 30, 2014, the statutes 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 employers that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2014, the statute required each participating employer to contribute 2% of each participating employee's annual salary; each participating employee was required to contribute 1% of their salary.

In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The Commission's contributions to the RHCA for the years ended June 30, 2023, 2022 and 2021, respectively, were \$35,964, \$31,533 and \$29,671, respectively, which equal the required contributions for the year.

NOTE 14. Risk Management

The Commission obtains coverage through Risk Management Division of the State of New Mexico General Services Department. This coverage includes liability and civil rights, property, vehicle, employer bond, workers' compensation, group insurance and state unemployment. This coverage is designed to satisfy the requirements of the State Tort Claims Act. All employees of the Commission are covered by a blanket fidelity bond of a \$5,000,000 coverage limit with a \$1,000 deductible per occurrence by the State of New Mexico for the period July 1, 2022 through June 30, 2023.

NOTE 15. Subsequent Events

A review of subsequent events through October 30, 2023, which is the date the financial statements were available for issuance, revealed no significant subsequent events which require disclosures in the financial statements.

STATE OF NEW MEXICO
Commission of Public Records
Notes to the Financial Statements
For the Year Ended June 30, 2022

NOTE 16. Joint Power Agreements

Electronic Document Management System

Participants: The Human Services Department, Taxation and Revenue Department and the Commission of Public Records,

Responsible Party for Operations: The Human Services Department

Description: The purpose of this agreement is to design, develop and implement an electronic document management system for use by all state agencies. The project was authorized and funded through House Bill 2, in which \$2 million was allocated to the project.

Beginning and endings dates of agreement: February 10, 2005; the ending date is still to be determined.

Total estimated amount of project: \$2 million. It is funded through House Bill 2 with the Human Services Department as the lead agency.

The Commission of Public Records contributed no money during the year ended June 30, 2023.

- a. The Human Services Department has audit responsibility.
- b. The Human Services Department is the fiscal agent.
- c. The Human Services Department reports all revenues and expenditures.

REQUIRED SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
Commision of Public Records
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

Statement A-1

	Special Revenue Fund - 75800
Assets	
Agency interest in SGFIP	\$ 6,008
Total assets	<u>\$ 6,008</u>
 Total fund balances	
Restricted fund balance	\$ 6,008
Total liabilities and fund balances	<u>\$ 6,008</u>

See Independent Auditors' Report and Notes to Financial Statements

Statement A-2

STATE OF NEW MEXICO
Commission of Public Records
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Revenue Fund - 75800
Revenues	
Miscellaneous	\$ 30
Total revenues	<u>30</u>
Net change in fund balance	30
Fund balance at beginning of year	<u>5,978</u>
Fund balance at end of year	<u>\$ 6,008</u>

See Independent Auditors' Report and Notes to Financial Statements

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COMPLIANCE SECTION



Auditors~Consultants~CPA

INDEPENDENT AUDITOR'S 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*

Honorable Joseph Maestas, P.E.
New Mexico State Auditor
and
Commission of Public Records
Santa Fe, NM 87507

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information and the budgetary comparisons for the general fund and major special revenue fund of the Commission of Public Records (the Commission), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated October 30, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Commission'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 results 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.

Southwest Accounting Solutions, LLC

Southwest Accounting Solutions, LLC
Albuquerque, New Mexico
October 30, 2023

STATE OF NEW MEXICO
Commission of Public Records
Schedule of Findings and Responses
June 30, 2023

Section I: SUMMARY OF AUDIT RESULTS

Financial Statements:

Type of auditors' report issued	Unmodified
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Internal control over financial reporting:

Material weakness identified?	No
Significant deficiencies identified?	No
Noncompliance material to the financial statements?	No

Section II: Prior Year Audit Findings

None

Section III: Audit Findings

None

STATE OF NEW MEXICO
Commission of Public Records Exit Conference
June 30, 2023

Exit Conference

An exit conference was held on October 30, 2023 In attendance were the following:

Representing the Commission of Public Records:

Robert E. Doucette, Secretary, general Services Department, Chairperson
Rick Hendricks, PH.D State Records Administrator
Ruben Rivera, Chief Financial Officer

Representing Southwest Accounting Solutions, LLC

Geoff Mamerow, CFE Audit Manager

Auditor Prepared Financial Statements

Southwest Accounting Solutions, LLC prepared the GAAP-basis financial statements and footnotes of the Commission of Public Records from the original books and records provided to them by the management of the agency. The responsibility for the financial statements remains with the Commission of Public Records.