



State of New Mexico
OFFICE OF THE STATE AUDITOR

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State Auditor Tim Keller Releases Second Annual Fund Balance Report
Unspent Funds Residing in State Government Accounts

SANTA FE, NM – The Office of the State Auditor (OSA) released the second annual *Fund Balance Report* that tallies unspent funds in government accounts from the most recent financial audits. The Government Accountability Office (GAO) at OSA reviewed 398 business and enterprise, capital outlay, special revenue and other funds of 86 state agencies, and put forward best practices to get these dollars moving.

“The *Fund Balance Report* shines a light on unspent dollars that were allocated by the legislature and collected by agencies in years past for a particular use,” said State Auditor Tim Keller. “Unfortunately, there was little year-to-year progress in getting these dollars out into the economy. With our state desperately in need of jobs, this is an opportunity for the administration to prioritize getting these dollars moving, to spend these funds as intended on roads, schools, and water projects.”

Below are highlights from the report:

- *Capital Projects Funds* total \$1.2 billion (including bonds for building roads and schools);
- *Executive Branch Special Revenue Funds* total \$501 million (including job training and Gila River project funds);
- *Business and Enterprise Funds* total \$1.4 billion (including insurance and home lending funds);
- *Revolving Loan and Grant Funds* total \$574 million (including water facilities, airports and help for small businesses);
- *Stagnant Funds* - accounts with balances that only changed by 1% or less - total \$101 million, including over \$42 million at the New Mexico Environment Department); and
- *Water-Related Funds* total \$230 million are scattered throughout state agencies.

The current system lacks meaningful, centralized reporting other than the portion of capital outlay tracked by the Legislative Finance Committee and the Department of Finance and Administration. Establishing a comprehensive project tracking office would allow the public to understand our government’s basic spending. The *Fund Balance Report* offers best practices to help address unneeded accumulation of funds.

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There are legitimate reasons why some funds may not be spent, including the need to maintain reserves, insurance and bonding requirements, and inevitable delays of certain projects due to uncontrollable factors. However, the *Fund Balance Report* greatly increases transparency to identify where money is sitting unnecessarily idle.

“Most of these dollars have already been designated for a purpose to help our state, but the audit results do not inspire confidence that funds are being spent in a timely and efficient manner. This is an opportunity to move the needle to improve our communities. Activating a small fraction of these dollars could mean thousands of new jobs, roads, schools and water systems for New Mexico,” stated Auditor Keller.

State Agencies with the largest accumulated balances are:

- Finance Authority with \$500 million (capital outlay and infrastructure);
- Environment Department with \$368 million (water quality, air quality, and land cleanup projects);
- Department of Transportation with \$316 million (roads);
- Mortgage Finance Authority with \$245 million (housing);
- Department of Workforce Solutions with \$232 million (benefits);
- Office of State Treasurer with \$159 million (working capital);
- Office of the State Engineer-Interstate Stream Commission with \$72 million (water infrastructure);
- Department of Game and Fish with \$62 million (wildlife and fisheries support);
- Office of Superintendent of Insurance with \$56 million (patients’ compensation fund);
- New Mexico Public School Insurance Authority with \$45 million (insurance coverage for school employees); and
- New Mexico Economic Development Department with \$43 million (closing fund).

The full report can be found online here: http://osanm.org/government_accountability_office

The Office of the State Auditor helps government work better by providing transparency and accountability for government spending; informing policy choices; and tackling fraud, waste and abuse. OSA is an independently elected executive agency responsible for examining the use of public dollars in New Mexico.

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