



State of New Mexico
OFFICE OF THE STATE AUDITOR

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State Auditor Tim Keller Releases List of Audits with Negative Results
Brings transparency to governmental entities with unreliable financial statements

SANTA FE, NM –Today, State Auditor Tim Keller released a list of entities that received problematic audit opinions during the last audit cycle. For the first time, this year the Office of the State Auditor (OSA) began tracking the audits with opinions from independent auditors that indicate the financial statements may contain material and pervasive misstatements (called “adverse” or “disclaimer” opinions). Entities that receive “negative” audit opinions are now being added to the OSA “At-Risk” list.

“Our tax dollars are best protected when our local governments’ financial statements are up to par and can be relied upon,” said State Auditor Tim Keller. “Audits are the most standardized and useful tool we have to reduce the chances that our public funds are misused. This list of school districts, municipalities and counties shines a bright light on which of them are reporting information that simply isn’t cutting it.”

The entities with “adverse” or “disclaimer” audit opinions for fiscal year 2015 are:

Schools

- **Central Consolidated Schools:** disclaimer of opinion due to unreconciled back accounts with cash balances of \$29 million and a large amount of unverifiable payroll-related liabilities for salaries totaling \$3.3 million.
- **Lordsburg Municipal Schools:** disclaimer of opinion due to unreconciled bank statements and cash totaling \$3.2 million.
- **Roy Municipal Schools:** disclaimer of opinion primarily because the school district did not maintain accurate and verifiable capital asset records or take a capital asset inventory for capital assets worth approximately \$2 million.

Municipalities

- **Town of Bernalillo:** disclaimer of opinion because the Town does not have internal controls in place to process accounting transactions correctly and lacks supporting documentation for the amounts in the accounting systems.
- **Town of Estancia:** disclaimer of opinion due to the lack of accounting record support for cash balances, capital assets and depreciation, and current year revenue and expenditure activities.

- **Village of Columbus:** disclaimer of opinion primarily due to lack of documentation regarding capital assets worth \$2.3 million.
- **Village of Questa:** adverse opinion because the Village did not prepare financial statements as required.
- **Village of Wagon Mound:** disclaimer of opinion due to the lack of supporting documentation for all types of financial transactions.

Counties

- **Harding County:** disclaimer of opinion due to the lack of documentation for the amounts in the financial statements for capital assets worth \$4.2 million.

State Agencies

- No state agencies have received “adverse” or “disclaimer” opinions for FY15 as of this date.

Entities are added to the list at the end of each audit cycle and will be removed when they receive an improved audit opinion. More information is available here:

http://osanm.org/government_score_card

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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