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**OFFICE OF THE STATE AUDITOR**

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**State Auditor Tim Keller Raises Concerns Regarding**  
**New Mexico's Comprehensive Financial Report**

*Report receives "disclaimed" opinion for fiscal year 2014*

SANTA FE, NM – Today, the Office of the State Auditor (OSA) released New Mexico's Comprehensive Annual Financial Report (CAFR) for fiscal year 2014. The report, which provides an overview of the state's financial health, is compiled by an independent public accountant and reviewed by OSA to ensure compliance with audit rules and accounting standards.

The independent auditor issued a "disclaimer" of opinion on New Mexico's financial report after determining that the state's financial statements could not be reasonably relied on as being free of misstatements. The state received the same opinion in fiscal year 2013. One of the most pressing problems identified in the report is the state's continued inability to reconcile its cash balances with expenditures. The report notes that the state is unable to account for an estimated \$100 million but that the actual loss amount could actually be substantially higher.

"New Mexicans deserve a state government that can balance its checkbook and accurately account for taxpayer dollars as they are spent," stated Auditor Keller. "This is a basic tenet of good governance that should be prioritized and promptly addressed."

In a letter to the Department of Finance and Administration, the agency responsible for completing the state's financial report and the financial controls necessary to ensure the proper accounting of state funds, State Auditor Keller wrote:

"The timely completion of the CAFR and the ability of the State to present its financial position in a reliable manner is key to providing New Mexicans with accountability regarding the use of their tax dollars. The State needs to be able to balance its checkbook on an ongoing basis to be able to provide an accurate presentation of the State's financial health. Overall, we remain deeply troubled by a slow pace of progress in addressing material weaknesses and disclaimed opinions. Please provide a written response regarding the status of your ongoing corrective action plan."

In addition to the substantive issues raised in the report, the OSA has been concerned about the length of time it takes the state to complete the CAFR. To ensure that public funds are accounted for on a timely basis, the State Auditor imposed a new deadline of February 15, 2016 for the completion of the fiscal year 2015 report.

The full report and OSA cover letter are available at: [http://www.saonm.org/media/audits/341-A\\_NM\\_Comprehensive\\_Annual\\_Financial\\_Report\\_CAFR\\_FY2014.pdf](http://www.saonm.org/media/audits/341-A_NM_Comprehensive_Annual_Financial_Report_CAFR_FY2014.pdf)

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