



NEW MEXICO'S INCONSISTENT FINANCIAL REPORTING

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truthinaccounting.org

THE FINANCIAL STATE OF NEW MEXICO

Repeated decisions by state officials have left the state with a staggering debt burden of \$5.1 billion, according to Truth in Accounting's (TIA) analysis of the most recent financial filings. That burden equates to \$9,000 for every New Mexico taxpayer.

New Mexico's taxpayer burden has fluctuated greatly in since 2014, primarily due to errors in the state's financial reporting. Their overall net position increased by \$8 billion from 2014 to 2015, but in 2016 their unrestricted assets decreased by \$7.6 billion. The state has inconsistently reported its assets, particularly a \$12.2 billion private purpose land grant fund that has brought the state's finances into question. Issues like these seem to be recurring, since the state hasn't received a clean opinion on its auditor's report in the past four years.

Here's the truth:

**\$5.1
billion**
money needed
to pay bills

-\$9,000
taxpayer
burden™

D
New Mexico's
financial grade

Data included in this report is derived from the state of New Mexico's 2016 audited Comprehensive Annual Financial Report and retirement plans' actuarial reports.

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NEW MEXICO FINANCIAL BREAKDOWN

FAST FACTS

- + New Mexico has \$9.2 billion available in assets to pay \$14.4 billion worth of bills.
- + The outcome: A \$5.1 billion shortfall and a \$9,000 taxpayer burden™.
- + Despite reporting most of its pension debt, the state continues to hide most of its retiree health care debt. The state's total hidden debt amounts to \$3.6 billion.

THE STATE'S BILLS EXCEED ITS ASSETS

Assets	\$39,928,372,000
<i>Minus:</i> Capital assets	-\$10,004,301,000
Restricted assets	-\$20,692,161,000
Assets available to pay bills	\$9,231,910,000
<i>Minus:</i> Bills	-\$14,368,959,000
Money needed to pay bills	-\$5,137,049,000
Each taxpayer's share of this debt	-\$9,000

BILLS THE STATE HAS ACCUMULATED

Bonds	\$5,480,579,000
Other liabilities	\$3,275,898,000
<i>Minus:</i> Debt related to capital assets	-\$2,383,483,000
Unfunded pension benefits	\$5,484,622,000
Unfunded retiree health care	\$2,511,343,000
Bills	\$14,368,959,000

GRADE: D

Bottom line: New Mexico does not have enough money to pay its bills, so it has received a "D" for its finances from Truth in Accounting. A "D" grade is given to states with a taxpayer burden™ between \$5,000 & \$20,000. Because of New Mexico's balanced budget requirement, their taxpayer burden should be \$0.

Truth in Accounting is committed to educating and empowering citizens with understandable, reliable, and transparent government financial information. To be knowledgeable participants in their government and its budget process, citizens need truthful and transparent financial information.