MEMORANDUM

DATE: August 13, 2018

TO: State Agency CFOs

SUBJECT: FCD Memo – FY19-007 – State General Fund Investment Pool Reconciliation - Disclosure to Agency IPAs for FY18 Audits

As provided for in Chapter 8-6 of the New Mexico Statutes Annotated 1978, the State Treasurer shall receive and keep all monies of the state, except when otherwise provided, and shall disburse the public money upon lawful warrants. The State Treasurer's Office (STO) acts as the state's bank. Agency cash receipts are deposited with STO and pooled in a statewide investment fund, when amounts are greater than immediate needs they are placed into short-term investments. When agencies make payments to vendors and employees they are made from this pool and their claims on the pool reduced.

The comprehensive cash reconciliation model which compares aggregated agency claims on the State General Fund Investment Pool to the associated resources held by the State Treasurer's Office is now in its fourth year. This process has been reviewed multiple times by the IPAs performing audits of the General Fund, the Department of Finance and Administration and the State of New Mexico's Comprehensive Annual Financial Report. The reviews have deemed the process to be sound and the Department fully compliant with the requirements of the monthly process.

The purpose of this memo is to provide the following assertions,

1. As of June 30, 2018, resources held in the pool were equivalent to the corresponding business unit claims on those resources.
2. All claims as recorded in SHARE shall be honored at face value.

If you have questions please contact me.

Ron C. Spilman

cc: DFA Secretary Duffy Rodriguez
    Deputy State Auditor C. Jack Emmons, CPA, CFE
    Deputy State Treasurer Sam Collins
    State Cash Manager Charmaine Cook
    CAFR Unit Files