

A JOINT MEMORIAL

**REQUESTING THE STATE AND ITS POLITICAL SUBDIVISIONS TO
INSTITUTE THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD
STATEMENTS 34 AND 35.**

WHEREAS, the governmental accounting standards board has adopted statements 34 and 35, which effectively change governmental accounting for all government agencies in New Mexico; and

WHEREAS, statements 34 and 35 change the format and contents of government financial statements and also include a government's infrastructure that may now be depreciated; and

WHEREAS, the American institute of certified public accountants will be forthcoming with an audit guideline that will compel certified public accountants to render an adverse opinion on an audit of the financial statements of an entity that does not fully implement statements 34 and 35 within established staggered timelines; and

WHEREAS, the federal government uses the audits of government agencies as one of several criteria to evaluate fund proposals submitted by government agencies; and

WHEREAS, investment firms, banks and other investors use audits of government agencies to assess a bond rating and interest and ultimately to decide whether to invest in state,

county, municipal or other governmental indebtedness;

NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO that all state agencies, state oversight agencies, school districts, colleges and universities and any other entities that receive government funds take action to institute the governmental accounting standards board statements 34 and 35 to ensure timely and accurate implementation; and

BE IT FURTHER RESOLVED that a copy of this memorial be transmitted to the state auditor for distribution to all government agencies.