

NEW MEXICO OFFICE OF THE STATE AUDITOR
 REPORT REVIEW GUIDE FOR USE BY IPAs
 SINGLE AUDITS FOR THE FISCAL YEARS ENDING JUNE 30, 2012 and Prior

This review guide should be used for all entities subject to the Audit Act that require an annual financial and compliance audit and that expended \$500,000 or more of federal awards during the fiscal year.

AGENCY NAME	AGENCY NUMBER/FISCAL YEAR	
NAME OF AUDITING FIRM	NAME OF AUDIT MANAGER	
DATE REPORT SUBMITTED TO STATE AUDITOR	Yes <input type="checkbox"/> No <input type="checkbox"/> Was the audit report submitted by the due date? (For state agency due dates see DFA's notification to the State Auditor per Sec 12-6-3(C) NMSA 1978.) If not, the compliance finding is reported on p. _____.	
OPINION(S) RENDERED ON FINANCIAL STATEMENTS	DATE OF OPINION	NUMBER OF FINDINGS
Was a member of the governing body (or head of a state agency) present at the exit conference as required by Section 2.2.2.10(J) NMAC? If not, the compliance finding is reported on p. _____.		Yes <input type="checkbox"/> No <input type="checkbox"/>

Objective:

The objectives of the review are to: (1) ensure that audit reports meet applicable governmental auditing, accounting and financial reporting standards, OMB Circular A-133 reporting requirements for single audits, and the New Mexico Administrative Code 2.2.2 Requirements for Contracting and Conducting Audits of Agencies; and (2) identify any follow-up audit or reporting work needed.

Instructions:

The audit manager or the employee in charge of the audit firm's quality control system is required to complete this review guide. You are required to answer all of the questions in the review guide. Insert page number references for all yes answers. Submit comments to explain all no answers, unusual circumstances, or why a reporting standard was not complied with. **Pursuant to 2.2.2.9(C)(1) NMAC, the report will not be accepted by the Office of the State Auditor if the review guide is incomplete, or if the report contains an excessive amount of errors and omissions.** This review guide does not contain every auditing, accounting and financial reporting standard or requirement applicable to a financial audit. Due to the fact that this checklist is intended to be used for reviewing audits from different fiscal years, the checklist may include questions that do not apply to the specific fiscal year being reviewed. In which case, the auditor is responsible for knowing when various reporting standards

became effective, in order to properly determine which questions apply and which do not apply to the specific audit report being reviewed. Agencies and auditing firms are required to ensure that all applicable auditing, accounting and financial reporting standards, laws and regulations are complied with during the preparation of the audit reports, financial statements, notes and schedules.

Authoritative References:

- AAG-SLA *AICPA Audit Guide: Government Auditing Standards and Circular A-133 Audits* (February 1, 2012 version)
- AAG-SLV *AICPA Audit and Accounting Guide – State and Local Governments* (March 2011 version)
- SAS *AICPA Statement on Auditing Standards*
- AU *AICPA Codification of Statements on Auditing Standards*
- GAGAS *Government Auditing Standards July 2007 Revision (Yellow Book)*
- GAQC Government Audit Quality Center of the AICPA
- GASB Governmental Accounting Standards Board
- A-133 OMB (U.S. Office of Management and Budget) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations, as amended*
- NMAC New Mexico Administrative Code
- 2.2.2 NMAC *Requirements for Contracting and Conducting Audits of Agencies* (Audit Rule 2012)

Documents Required by the Office of the State Auditor	
Did the auditor submit a copy of: (a) the signed management representation letter; (b) a list of “passed adjustments” or a memo stating there were none; (c) a completed report review guide; (d) the electronic version of the signed engagement letter (unless previously submitted pursuant to 2.2.2.8.L(6); and (e) a complete and accurate bound hard copy of the audit report? If not, the report will not be accepted or considered received by the State Auditor. (Section 2.2.2.9 (A)(3) NMAC)	YES ___ Comments:

1 Do the titles and page numbers in the Table of Contents agree with the actual contents in the report? Are all of the pages in the report numbered as required by Section 2.2.2.9(C)(1) NMAC?	YES___ NO___ Comments: Page Ref:
2 Does the audit report include an official roster including all members of the governing body and top management? (Section 2.2.2.10(T)(4) NMAC)	YES___ NO___ N/A___ Comments: Page Ref:
3 Independent Auditor’s Report:	
A. Does the report on the financial statements contain the required elements and follow the applicable report examples on the OSA website at www.osanm.org ? (AU 508.08, 551.09 to 551.13, A-133 .505(a); AAG-SLA 4.22)	YES___ NO___ N/A___ Comments:
B. Introductory Paragraph:	
(1) Is the name of the agency correct on all the auditors’ reports?	YES___ NO___ Comments:
(2) Is there a statement identifying the financial statements that were audited? See Example A-14 in the AICPA Guide (AAG-SLV 14.79) and the example on the OSA website at www.osanm.org . If the financial statements are presented in accordance with the Business-	YES___ NO___ N/A___ Comments:

Type Activities (BTA) model, did the auditor use an appropriate combination of language from Examples A-3 and A-14 in the AICPA Audit and Accounting Guide in writing the introductory paragraph?	
C. Scope Paragraph:	
(1) Unmodified GAGAS compliance statement – If the auditor (a) followed all applicable unconditional (must) and presumptively mandatory (should) GAGAS requirements, or (b) followed all unconditional requirements and documented the justification for any departures from applicable presumptively mandatory requirements, and achieved the objectives of those requirements through other means, is there a statement that the audit was conducted in accordance with auditing standards generally accepted in the United States of America and with standards applicable to financial audits contained in <i>Government Auditing Standards</i> issued by the Comptroller General of the United States? AU 508.08d; SAS 102, GAGAS 1.12(a)	YES_____ NO_____ N/A_____ Comments: Page Ref:
(2) Modified GAGAS compliance statement – If the auditor performed the audit in accordance with GAGAS except for specific requirements that were not followed, or the auditor was unable to perform the audit in accordance with GAGAS due to the significance of the departure from GAGAS, did the auditor use the “modified GAGAS compliance statement” described at GAGAS 1.12(b)?	YES_____ NO_____ N/A_____ Comments: Page Ref:
D. Explanatory and Opinion Paragraphs:	
(1) If the agency implemented a new accounting principle that had a material effect on the financial statements, is there an explanatory paragraph (following the opinion paragraph) regarding the adoption of the new accounting principle? (SAS AU 420.05)	YES_____ NO_____ N/A_____ Comments: Page Ref:
(2) Regarding the opinion (or disclaimer of opinion) on the financial statements [AU 508.08h; AAG-SLA 4.22 (h)] a. Does the opinion cover all applicable opinion units? (the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the agency, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the [indicate the general fund and specified major special revenue funds] for the year then ended in conformity with GAAP) (Example A-14 and footnote 3 of AAG-SLV 14.79) b. Does the opinion cover all applicable SI opinion units? (In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental, nonmajor enterprise, internal service, and fiduciary fund of the agency, and the respective changes in financial position and cash flows where applicable, thereof and the respective budgetary comparisons for the [indicate the applicable budgetary comparisons presented as SI such as the major capital project and debt service funds, nonmajor governmental funds, and enterprise funds] funds for the year then ended in conformity with GAAP in the United States of America) (Example A-14 and footnotes 3 and 42 of AAG-SLV 14.79)	YES_____ NO_____ Comments: Page Ref: YES_____ NO_____ N/A_____ Comments: Page Ref:
(3) If the budgetary comparisons for the general and major special revenue funds were unavailable because they are “mixed in with other budget information” (for example in organization or program budgets), the resulting budgetary comparison with a different perspective must be shown as RSI. When that is the case, the RSI budgetary comparison schedules must be opined on. If applicable, was this presented correctly? (GASBS 41, Section 2.2.2.10(A)(2)(c) NMAC and AAG-SLV14.79 Example A-14 and 14.53)	YES_____ NO_____ N/A_____ Comments: Page Ref:

(4) If the report presents comparative financial statements did the auditor include the prior year's audit opinion in the current year Independent Auditors' Report in instances where it was required by SAS AU 508.65 through 508.69?	YES _____ NO _____ N/A _____ Comments: Page Ref:
(5) Does the paragraph referring to the separate report on internal controls and compliance include the wording required by AAG-SLA 4.22 (i)?	YES _____ NO _____ Comments: Page Ref:
(6) Are the SAS 120 opinion paragraph on required supplementary information and the SAS 119 opinion paragraph on supplementary information included in the Independent Auditors' Report as required by 2.2.2.10(T)(4) NMAC?	YES _____ NO _____ Comments: Page Ref:
(7) Section 2.2.2.10.A.(2)(e) requires that the IPA apply certain limited procedures to the MD&A and other required supplementary information (RSI) as applicable, and report appropriately as required under the UPDATED SAS AU 558.07 to 558.09, pursuant to the implementation of SAS 120 in FY12 reports.	YES _____ NO _____ N/A _____ Comments: Page Ref:
(8) Does the last paragraph of the report include a SAS 119 opinion regarding the accompanying supplementary information (only schedules, not the combining and individual fund financial statements or budgetary comparisons) that reflects the UPDATED language required by SAS 551 .09 to 551.13, depending on the results of the auditor's work in this area and on the financial statements? Some examples of supplementary schedules, in addition to those listed below at (b) to (d) are: the schedule of pledged collateral; and school schedules of cash reconciliations per 2.2.2.10(A)(2)(f)(i) NMAC.	YES _____ NO _____ N/A _____ Comments: Page Ref:
(a) If the audit report includes audited combining and individual fund financial statements presented as supplemental information as required by Section Rule 2.2.2.10(A)(2)(d) NMAC, does the first sentence of the SAS 29 opinion paragraph say "Our audit was conducted for the purpose of forming opinions on the basic financial statements <u>and the combining and individual fund financial statements and budgetary comparisons</u> "?	YES _____ NO _____ N/A _____ Comments: Page Ref:
(b) If a Schedule of Changes in Assets and Liabilities for the Agency Funds is presented as required by Section 2.2.2.10(Z) NMAC, is the required SAS 119 opinion on that schedule included in the Independent Auditor's Report in the last paragraph? Is a SAS 119 opinion expressed on all of the schedules presented in the report; and are the schedules properly identified in the SAS 119 paragraph as noted in the table of contents?	YES _____ NO _____ N/A _____ Comments: Page Ref:
(c) For Housing Authorities that are a Single Audit or part of a Single Audit, is the Financial Data Schedule (FDS) included as supplemental information and did the auditor include the FDS in the SAS 119 opinion paragraph? (HUD UFRS (C) Special Rules for Certain PHAs and Section 2.2.2.12.(B)(5)(a)(iii) NMAC)	YES _____ NO _____ N/A _____ Comments: Page Ref:
(d) For a Single Audit (\$500,000 or more of federal money expended), is the Schedule of Expenditures of Federal Awards specifically mentioned in the SAS 119 opinion? [OMB Circular A-133 .505 (a)]	YES _____ NO _____ N/A _____ Comments: Page Ref:
(9) Dating the Audit Report – Has the independent auditor's report been dated in accordance with the requirements of SAS AU 339.23?	YES _____ NO _____ Comments: Page Ref:
4 Does the annual financial report include the following?	
A. Does the Management's Discussion and Analysis (MD&A) precede the basic financial statements as required supplementary information? (GASBS 34.8)? Are the following elements included in the MD&A? (GASBS 34.11)	YES _____ NO _____ N/A _____ Comments: Page Ref:
(1) The brief discussion described at GASB 34.11(a)	YES _____ NO _____ N/A _____ Comments: Page Ref:

(2) The condensed financial information described at GASB 34.11(b)	YES ___ NO ___ N/A ___ Comments: Page Ref:
(3) The analysis and results described at GASB 34.11(c)	YES ___ NO ___ N/A ___ Comments: Page Ref:
(4) The analysis of balances and transactions described at GASB 34.11(d)	YES ___ NO ___ N/A ___ Comments: Page Ref:
(5) The analysis of significant variations described at GASB 34.11 (e)	YES ___ NO ___ N/A ___ Comments: Page Ref:
(6) A description of significant capital assets and long-term debt activity as described at GASB 34.11(f)	YES ___ NO ___ N/A ___ Comments: Page Ref:
(7) If applicable, a discussion of the modified approach as described at GASB 34.11(g)	YES ___ NO ___ N/A ___ Comments: Page Ref:
(8) A description of facts and conditions as described at GASB 34.11(h)	YES ___ NO ___ N/A ___ Comments: Page Ref:
(9) If applicable, comments on component units as described at GASB 34.10?	YES ___ NO ___ N/A ___ Comments: Page Ref:
(10) Do the amounts in the MD&A agree with the financial statements and notes?	YES ___ NO ___ N/A ___ Comments: Page Ref:
B. Government-wide Financial Statements (GASBS 34.12-.63) It is permissible to preface the titles of these statements with "Government-Wide." Do the Government-wide financial statements consist of a Statement of Net Assets and a Statement of Activities? Do the government-wide financial statements meet the following requirements?	YES ___ NO ___ N/A ___ Comments: Page Ref:
(1) Do the Government-wide financial statements meet the requirements of GASB 34.12?	YES ___ NO ___ N/A ___ Comments: Page Ref:
(2) Do the Government-wide financial statements contain separate rows and columns for each of the following: a) governmental activities; b) business-type activities, and 3) discretely presented component units (GASBS 34.15)	YES ___ NO ___ N/A ___ Comments: Page Ref:
(3) Do the Government-wide financial statements include a total column for the primary government? (GASB 34.14)	YES ___ NO ___ N/A ___ Comments: Page Ref:
(4) Are bond issuance costs, bond premiums, and bond discounts amortized in the government-wide financial statements? (APB Opinion No. 21 and AAG-SLV 8.78 and 8.83)	YES ___ NO ___ N/A ___ Comments: Page Ref:
Statement of Net Assets	
(5) Are assets and liabilities presented in the order of their relative liquidity as illustrated in GASB 34 Example A-1, or in a classified format as illustrated in GASB 34 Example A-2? (GASB 34.31)	YES ___ NO ___ N/A ___ Comments: Page Ref:
(6) Is the difference between assets and liabilities reported as net assets, and are net assets displayed in the following components: invested in capital assets, net of related debt (the words "net of related debt" should not be included when not applicable to the entity); restricted for (name the specific major categories of purposes or disclose them in the notes), and unrestricted? (GASBS 34.32-37)	YES ___ NO ___ N/A ___ Comments: Page Ref:
(7) Are interfund receivables and payables eliminated in the governmental and	YES ___ NO ___ N/A ___

business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities? See GASB 34 Example A-1 “internal balances”. (GASB 34.58)	Comments: Page Ref:
(8) If permanent endowments or permanent fund principal amounts are included in restricted net assets, are the expendable and nonexpendable components of restricted net assets presented? (GASB 34.35)	YES _____ NO _____ N/A _____ Comments: Page Ref:
(9) Is the Statement of Net Assets in balance (assets = liabilities and net assets)? If the traditional balance sheet format is used, do assets equal liabilities plus net assets? (GASBS 34 ¶ 30)	YES _____ NO _____ N/A _____ Comments: Page Ref:
Statement of Activities	
(10) Is a net (expense) revenue format used to report <u>each</u> of the government’s functions? Does the Statement of Activities report Expenses, Program Revenues, Net Program [Expense] Revenues, General Revenues, Special Items, Transfers, Changes in Net Assets, Net Assets-Beginning, and Net Assets-Ending? Are general revenues, contributions to term and permanent endowments, contributions to permanent fund principal, special and extraordinary items, and transfers reported separately after total net expenses of the government’s functions? (GASBS 34, Paragraph 38-62 and Example B-1 through B-3)	YES _____ NO _____ N/A _____ Comments: Page Ref:
(11) Does the Statement of Activities separately report the following three categories of program revenues: Charges for services; Program-specific operating grants and contributions; and Program-specific capital grants and contributions? (GASBS 34.48)	YES _____ NO _____ N/A _____ Comments: Page Ref:
(12) Are general revenues reported after total net expense of the government’s functions? Are all taxes reported by the specific type of tax such as sales, property, franchise and gas taxes? Are other nontax revenues like interest, grants and contributions) that do not qualify as program revenues included as general revenues? (GASBS 34.52)	YES _____ NO _____ N/A _____ Comments: Page Ref:
(13) In the Statement of Activities, are all governmental activities expenses reported by function, except for those that meet the criteria to be reported as special or extraordinary items? (GASBS 34.41) In the Statement of Activities are all business-type activities expenses reported by different identifiable activity as required by GASB 37.10(b)?	YES _____ NO _____ Comments: Page Ref:
(14) Is depreciation expense reported as a direct expense by function in the Statement of Activities, unless the asset is used by multiple functions? (GASBS 34.44)?	YES _____ NO _____ N/A _____ Comments: Page Ref:
(15) Is a prior period adjustment (correction of an error in previously issued financial statements) reflected as an adjustment to the opening balance of net assets pursuant to GASBS 62.61? Were the following line items included on the face of the financial statement: Beginning net assets, Restatement, Beginning net assets as restated, and Ending net assets? (OSA Preference)	YES _____ NO _____ N/A _____ Comments: Page Ref:
(16) Do Total Net Assets reported on the Statement of Activities agree to total Net Assets reported on the Statement of Net Assets for the governmental activities and the business-type activities?	YES _____ NO _____ N/A _____ Comments: Page Ref:
(17) Do the beginning-of-the period net assets (government-wide, proprietary, fiduciary fund statements) and/or fund balances in the governmental fund financial statements tie to the respective prior year audit end-of-the-period balances? (Except when one of the following exceptions applies: (1) there was a prior period adjustment for the correction of an error; (2) the beginning net assets/fund net assets were adjusted for the cumulative effect of a change to a new accounting principle; or (3) there was a change in the reporting entity [like different number of component units]).	YES _____ NO _____ N/A _____ Comments: Page Ref:
C. Governmental Fund Financial Statements (GASBS 34.64 to 65, 78-90) See GASB 34 ¶ 138 for a description of which financial statements pertain to reports using the BTA model.	

<p>(1) Does the Balance Sheet-Governmental Funds contain the following sections: Assets, Liabilities and Fund Balances? Is fund balance classified as: Nonspendable, Restricted, Committed, Assigned, and Unassigned (as applicable)? Do either the financial statements or the notes disclose the purpose for which amounts are nonspendable, restricted, committed, or assigned? (GASBS 34 ¶ 83-84 and GASBS 54)</p>	<p>YES____ NO____ N/A____ Comments: Page Ref:</p>
<p>(2) A liability for compensated absences should not be reported in the governmental fund balance sheet unless it was actually due and payable at year end for payments due to retired or terminated employees, but not paid until shortly after year-end. Does the liability for compensated absences meet these requirements? (Section 2.2.2.10(L)(3) NMAC and GASB Cod. Sec. C60.111)</p>	<p>YES____ NO____ N/A____ Comments: Page Ref:</p>
<p>(3) Is there an accompanying reconciliation of Total Fund Balance from Balance Sheet – Governmental Funds to the Total Net Assets on the Statement of Net Assets, (Governmental Activities Column only)? Note that “accompanying” means immediately following per the 1st GASB 34 Implementation Guide Q 190. Do all of the reconciling amounts agree with the financial statements and notes? (GASBS 34 Paragraph 77)</p>	<p>YES____ NO____ N/A____ Comments: Page Ref:</p>
<p>(4) Does the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds have the correct descriptions: (Revenues, Expenditures, Excess (deficiency) of revenues over expenditures, Other Financing Sources (Uses), Special and extraordinary items (if applicable), Net Change in Fund Balances, Beginning Fund Balance and Ending Fund Balance? Does the column presentation correspond to the columns in the Balance Sheet-Governmental Funds presentation? (GASBS 34 ¶ 86 to 89, example C-2)</p>	<p>YES____ NO____ N/A____ Comments: Page Ref:</p>
<p>(a) Are the revenues presented by major revenue source classifications as detailed in GASB Cod. Sec 1800.115 and NCGAS 1.110: taxes, licenses and permits, intergovernmental revenues, charges for services, fines and forfeits, and miscellaneous?</p>	<p>YES____ NO____ N/A____ Comments: Page Ref:</p>
<p>(b) Are intergovernmental revenues from federal sources and state sources presented separately as required by 2.2.2.10(E) NMAC?</p>	<p>YES____ NO____ N/A____ Comments: Page Ref:</p>
<p>(c) Are expenditures classified by character as required by NCGAS 1 ¶ 115) and at a minimum by function as required by GASBS 34 ¶ 87? See GASBS 34 example C-2.</p>	<p>YES____ NO____ N/A____ Comments: Page Ref:</p>
<p>(d) Are debt issuance costs like underwriter fees that were paid out of debt proceeds reported as expenditures? Are attorney fees, rating agency fees or bond insurance paid from existing resources reported as expenditures when the liability is incurred? (GASB 34.87)</p>	<p>YES____ NO____ N/A____ Comments: Page Ref:</p>
<p>(e) Is the face amount of long-term debt (including capital leases), bond premium or discount, payments to bond escrow agents for refundings, transfers, and sale of capital assets reported as “Other Financing Sources and Uses” as required by GASBS 34.88-89 and GASBS 37.16?</p>	<p>YES____ NO____ N/A____ Comments: Page Ref:</p>
<p>(f) If there were any restatements due to the correction of an error in a prior period or due to the cumulative effect of a change to a new accounting principle, were the beginning net assets/fund net assets “adjusted” per GASBS 62.61 or 62.76? In such an adjustment, the OSA prefers to see the following presented: Beginning fund balance, Restatement, Beginning fund balance as restated, Ending fund balance.</p>	<p>YES____ NO____ N/A____ Comments: Page Ref:</p>
<p>(5) Is there a Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds (net change in fund balances for total governmental funds) to the Statement of Activities (change in net assets for governmental activities) at the bottom of the fund financial</p>	<p>YES____ NO____ N/A____ Comments:</p>

statements or in an accompanying schedule immediately following the statement? Were all of the reconciling amounts fully explained in the reconciliation or the notes to the financial statements? Do all of the reconciling amounts agree with the financial statements and notes? (GASBS 34.77 and 34.90)	Page Ref:
Proprietary Fund Financial Statements (GASBS 34 Para 66-68, 91-105) See GASB 34 ¶ 138 for a description of which financial statements pertain to reports using the BTA model.	
a. Is there a Statement of Net Assets – Proprietary Funds (or Balance Sheet – Proprietary Funds) that reflects the following descriptions: current and noncurrent assets; current and noncurrent liabilities; net assets invested in capital assets, net of related debt, net assets restricted for (indicate for what), net assets unrestricted, total net assets? (GASB 34.91a, 34.98 and illustration D-1)	YES____ NO____ N/A____ Comments: Page Ref:
b. Are assets with use restrictions (defined in GASBS 34.34) reported as restricted assets? (GASBS 34.99)	YES____ NO____ N/A____ Comments: Page Ref:
c. Is there a Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds that reflects the following descriptions: operating revenues and total operating revenues; operating expenses and total operating expenses; operating income (loss), nonoperating revenues and expenses “income (loss) before contributions and transfers,” capital contributions, additions to the principal of permanent and term endowments, special and extraordinary items, and detailed transfers, “change in net assets,” total net assets-beginning, and total net assets-ending? (GASB 34.91b, 34.100-.101, and illustration D-3) Is any prior period adjustment (correction of an error in previously issued financial statements) reflected as an adjustment to the opening balance of net assets pursuant to GASBS 62.61? Were the following line items included on the face of the financial statement: Beginning net assets, Restatement, Beginning net assets as restated, and Ending net assets? (OSA Preference)	YES____ NO____ N/A____ Comments: Page Ref:
d. Do the proprietary fund financial statements include a single column for all internal service funds displayed to the right of the total enterprise funds column? (GASBS 34.96)	YES____ NO____ N/A____ Comments: Page Ref:
e. Are proprietary fund revenues reported by major source and are revenues used as security for revenue bonds identified? (GASBS 34.100 and the related footnote 41)	YES____ NO____ N/A____ Comments: Page Ref:
f. If the agency has permanent endowments or permanent fund principal amounts, are the applicable amounts presented as two components of “restricted net assets” expendable and nonexpendable? (GASBS 34.35)	YES____ NO____ N/A____ Comments: Page Ref:
g. Net assets and changes in net assets in the proprietary fund financial statements for total enterprise funds usually equal the net assets and changes in net assets of business-type activities in the government-wide statement of activities. However, there may sometimes be differences caused by the reclassification of internal service fund transactions that affected proprietary funds. Are any such differences explained on the face of the fund statements or in an accompanying schedule as required by GASBS 34.104?	YES____ NO____ N/A____ Comments: Page Ref:
Statement of Cash Flows - See GASB 34 ¶ 138 for a description of which financial statements pertain to reports using the BTA model.	
h. Is the Direct Method used for the Proprietary Fund Statement of Cash Flows showing the applicable four categories of cash flows	YES____ NO____ N/A____ Comments:

from: operating activities; noncapital financing activities; capital and related financing activities; and investing activities? Does the statement separately report the net effect of cash flows of each of these categories on cash and cash equivalents during the period in a manner that reconciles beginning and ending cash and cash equivalents? (GASBS 34.105)	Page Ref:
i. Is a reconciliation of operating cash flows to operating income included? Does the reconciliation separately report all major classes of reconciling items including changes in receivables, inventory and payables? (GASBS 34.105 and illustration D-4; GASB Cod. Sec 2450.129)	YES____ NO____ N/A____ Comments: Page Ref:
j. Do total amounts of cash and cash equivalents at the beginning and end of the period per the Cash Flow Statement tie to the related line items or subtotals in the balance sheet?	YES____ NO____ N/A____ Comments: Page Ref:
k. Does the statement separately report the classes of operating cash receipts and payments per GASB Cod. Sec. 2450.128?	YES____ NO____ N/A____ Comments: Page Ref:
l. Is information about all investing, capital and financing activities that affect recognized assets or liabilities but do not result in cash receipts or payments in the period presented in a separate schedule? (GASB Cod. Sec. 2450.132)	YES____ NO____ N/A____ Comments: Page Ref:
D. Governmental & Proprietary fund financial statements - Focus on Major Funds (GASBS 34 ¶ 75-77)	
(1) Is each major fund presented in a separate column, and are nonmajor funds aggregated and displayed in a single column in the governmental and proprietary fund financial statements? (GASB 34.75)	YES____ NO____ N/A____ Comments: Page Ref:
(2) Is the main operating fund (general fund or its equivalent) reported as a major fund? Are the other individual governmental and enterprise funds reported in separate columns as major funds based on the criteria in GASBS 34.76 and GASBS 37.15?	YES____ NO____ N/A____ Comments: Page Ref:
(3) Are the combining and individual fund statements for the nonmajor funds presented as supplemental information after the notes? (Section 2.2.2.10(A)(2)(d)(ii) NMAC and GASBS 34 financial statements examples H-1 and H-2)	YES____ NO____ N/A____ Comments: Page Ref:
E. Budgetary Comparison Statements – Are budgetary comparison statements for <u>only the general fund and major special revenue funds presented before the notes</u> as part of the basic financial statements? Do they appear after the statement of changes in revenues, expenditures, and changes in fund balances – governmental funds? (Sections 2.2.2.10(A)(2)(b)(iii) and 2.2.2.10(O)(3)(a) NMAC and Q 7.91.7) There is an exception to this general rule if the budgetary information is not available on the GAAP fund structure basis for the general fund and major special revenue funds. (Section 2.2.2.10(A)(2)(c) and GASBS 41) If the entity has only enterprise funds, do all the budgetary comparisons appear in the supplementary information section of the report as required by Sections 2.2.2.10(A)(2)(d)(iii) and 2.2.2.10(O)(3) NMAC?	YES____ NO____ N/A____ Comments: Page Ref:
(1) For each fund that is not already presented before the notes as part of the basic financial statements, are individual fund budgetary comparison statements included in the report as audited SI after the notes? (Sections 2.2.2.10.(A)(2)(d)(iii) and 2.2.2.10(O)(3)(c) NMAC)	YES____ NO____ N/A____ Comments: Page Ref:
(2) Do all the budgetary comparison statements present the original budget, the final budget, actual expenditures or expenses on the budgetary basis, and a variance column? (GASBS 34.130 and Section 2.2.2.10(O)(3) NMAC)	YES____ NO____ N/A____ Comments: Page Ref:
(3) Does the Budget column include the required fund balance (if prepared on accrual or modified basis) or prior year cash balance if prepared on a cash basis (or fund balance on the cash basis) necessary to balance the budget?	YES____ NO____ N/A____ Comments:

(Section 2.2.2.10(O)(1) NMAC)	Page Ref:
(4) If actual expenditures exceeded budgeted expenditures at the legal level of compliance, is that fact reported in a finding and disclosed in the notes? If budgeted expenditures exceeded budgeted revenues, was a finding reported if the budgeted prior year fund balance did not exist at the beginning of the fiscal year to cover the budgeted deficit, if appropriate? The IPA should consult with the agency's budgetary oversight entity to confirm that the agency is not in compliance with budgetary requirements before writing a finding for budgeted expenditures exceeding budgeted revenues. (GASBS 34.131; GASBS 37.19; Section 2.2.2.10(P)(1) NMAC)	YES____ NO____ N/A____ Comments: Page Ref:
(5) Are the differences between the budgetary basis and GAAP basis revenues and expenditures <u>for each individual fund</u> reconciled on the face of the budgetary comparison or in the notes to the financial statements? (GASBS 34.131; Section 2.2.2.10(O)(2) NMAC)	YES____ NO____ N/A____ Comments: Page Ref:
(6) For colleges and universities only - were the three required budgetary comparisons presented after the notes in the format approved by the NM Higher Education Department as noted in Sections 2.2.2.12(E)(2)(a-c) NMAC?	YES____ NO____ N/A____ Comments: Page Ref:
(7) For colleges and universities only: is a reconciliation of actual revenue <u>and</u> expense amounts on the budgetary basis to the GAAP basis financial statements disclosed on the budgetary comparisons or in the notes to the financial statements? The reconciliation is required only at the "rolled up" level of Unrestricted and Restricted – All Operations and should include revenues <u>and</u> expenses. (Section 2.2.2.12 (E) (2) NMAC)	YES____ NO____ N/A____ Comments: Page Ref:
(8) For colleges and universities only: Did the auditor compare the financial statement budget comparison to the college or university's September 15th budget submission to HED, and write a finding if the HED budget submission did not tie to the financial statement comparison (except for [1] adjustments made by the college or university after September 15 th and [2] audit adjustments? [Section 2.2.2.12(E)(2) NMAC])?	YES____ NO____ N/A____ Comments: Page Ref:
F. Fiduciary Fund and Similar Component Unit Financial Statements- Are all fiduciary funds of the primary government, as well as component units that are fiduciary in nature included in the fiduciary fund financial statements? Do the statements provide a <u>separate column for each applicable fund type</u> (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trusts, (4) agency funds? (GASBS 34 Paragraphs 69-73 and 106-111)	YES____ NO____ N/A____ Comments: Page Ref:
(1) Statement of Fiduciary Net Assets – Do the Agency Fund assets equal the liabilities presented in the Statement of Fiduciary Net Assets? If there are only agency funds, the title should be the Statement of Fiduciary Assets and Liabilities-Agency Funds (GASBS 34.110 and Example E-1)	YES____ NO____ N/A____ Comments: Page Ref:
(2) Does the Statement of Changes in Fiduciary Net Assets shown in the basic financial statements include information about the additions to, deductions from, and net increase (or decrease) for the year in net assets for each applicable fiduciary fund type except for agency funds? The Statement of Changes in Fiduciary Net Assets should be presented for all fiduciary fund types, except for agency funds, and appear after the Statement of Fiduciary Net Assets and just before the notes. (GASB 34 Paragraph 109 and example E-2)	YES____ NO____ N/A____ Comments: Page Ref:
(3) Agency funds are excluded from the Statement of Changes in Fiduciary Net Assets since they have no "net assets." It is a requirement of the State Auditor that a Schedule of Changes in Assets and Liabilities for entities be included as other supplemental information (SI) for all entities that have agency funds. If applicable, was this schedule presented? (GASBS 34.110 and Sections 2.2.2.10(Z) and 2.2.2.12(C)(4)(e) NMAC)	YES____ NO____ N/A____ Comments: Page Ref:
(4) If the agency fund has been used as a clearing account to distribute financial	YES____ NO____ N/A____

resources to other funds of the primary government as well as other entities (such as property tax receivables in audits of Counties), have the portions of the clearing account balances that pertain to the primary government been reclassified and reported as assets of the appropriate funds as required by GASB 34 ¶ 111 and Q 7.81.1?	Comments: Page Ref:
G. Notes to the Financial Statements	
(1) Do the notes include a Summary of Significant Accounting Policies with disclosures for <u>each of the twelve items</u> listed below? (GASB Cod. Sec. 2300.106(a))	See Below
(a) Is there a description of the government-wide financial statements including an explanation that fiduciary funds and fiduciary component units are excluded? GASB Cod. Sec. 2300.106(a)(1) and 2200.111?	YES___ NO___ N/A___ Comments: Page Ref:
(b) Is a brief description of the component units, their relationship to the primary government and information about how the separate reports for individual component units can be obtained included with other information required by GASB Cod. Sec. 2300.106(a)(2)?	YES___ NO___ N/A___ Comments: Page Ref:
(c) Do the descriptions of activities accounted for in each column (major funds, internal service funds, and fiduciary fund types) consist of: (1) a description that is specific to the particular government rather than general descriptions that could describe any government as required by GASBS 38.6; (2) disclose what kind of fund type (general, special revenue, capital projects, debt service, enterprise, internal service, agency, private purpose trust fund, etc.) each fund is; and (3) the activities accounted for in each column? (GASB Cod. Sec. 2300.106(a)(3) and 1300.125)	YES___ NO___ N/A___ Comments: Page Ref:
(d) Is the measurement focus and basis of accounting used in the government-wide statements disclosed as required by GASB Cod. Sec. 2300.106(a)(4) and 1600.103 - .104?	YES___ NO___ N/A___ Comments: Page Ref:
(e) Are the revenue recognition policies used in fund financial statements, disclosed as required by GASB Cod. Sec. 2300.106(a)(5) and 1600.106-.115 and .130 and .134?	YES___ NO___ N/A___ Comments: Page Ref:
(i) Is the period of availability disclosed? (NCGAS 1.62 and GASB 33.30)	
(ii) If derived tax revenues (such as sales taxes, gas taxes, motor vehicle taxes, etc.) are included in revenues, was the revenue recognized net of estimated refunds and uncollectible amounts, in the period when the exchange transaction occurred or when the resources were received, whichever occurs first? (GASBS 33.16 and 33.30(a))	YES___ NO___ N/A___ Comments: Page Ref:
(iii) If grant revenue is included in the agency revenues, was the grant revenue recognized when the eligibility requirements were met? [GASBS 33.19 to 33.25 and 33.30(d)]? Note that according to GASBS 33.98, grant revenue recognition should not be delayed until purpose restrictions are met. Purpose restrictions are not the same as the eligibility criteria.	YES___ NO___ N/A___ Comments: Page Ref:
(iv) Do the fund financial statements exclude from revenue the portion of these nonexchange transactions that are not available in accordance with GASB 33.29 and 33.30? Has the excluded revenue been reclassified as “deferred revenue?”	YES___ NO___ N/A___ Comments: Page Ref:
(v) If the agency received a portion of another government’s derived tax revenues or imposed non-exchange revenues did they follow the accounting guidance for government-mandated and voluntary nonexchange transactions per GASBS 36 ¶ 13? This follows the symmetrical recognition concept of Statement 33. Except for payments in advance of meeting eligibility requirements, the recipient and provider would record assets and liabilities,	YES___ NO___ N/A___ Comments: Page Ref:

respectively, at the same time that they record revenues and expenses/expenditures.	
(f) Is the policy for eliminating internal activity in the government-wide statement of activities disclosed as required by GASB Cod. Sec. 2300.106(a)(6) and 2200.145?	YES____ NO____ N/A____ Comments: Page Ref:
(g) Is the basis upon which the inventory amount is stated disclosed in the notes and the method for determining the cost (where practical)? (GASB Cod. Sec. 2300.106(a)(7))	
(h) Is the policy for capitalizing assets and estimating useful lives disclosed as required by GASB Cod. Sec. 2300.106(a)(8) and 1400.102 and .104?	YES____ NO____ N/A____ Comments: Page Ref:
(i) Does the capital asset policy disclosure state that the capitalization threshold is \$5,000 per Section 12-6-10 NMSA 1978? Note that the items on the capital asset listing that were capitalized under previous lower thresholds should not be deleted from the capital asset listing until the agency disposes of them in accordance with applicable statute. (Section 2.2.2.10(Y)(1) NMAC)	YES____ NO____ N/A____ Comments: Page Ref:
(ii) If the agency uses the infrastructure-modified approach is there a description of that approach? (GASB Cod. Sec. 2300.106(a)(8))	YES____ NO____ N/A____ Comments: Page Ref:
(i) Are the types of transactions included in program revenues and the policy for allocating indirect expenses to functions disclosed as required by GASB Cod. Sec. 2300.106(a)(9) and 2200.126-131 and .133?	YES____ NO____ N/A____ Comments: Page Ref:
(j) Is the policy for defining operating and nonoperating revenues of proprietary funds disclosed as required by GASB Cod. Sec. 2300.106(a)(10) and P80.118?	YES____ NO____ N/A____ Comments: Page Ref:
(k) Is the definition of cash and cash equivalents used in the statement of cash flows for proprietary funds disclosed as required by GASB Cod. Sec. 2300.106(a)(11) and 2450.106-.108?	YES____ NO____ N/A____ Comments: Page Ref:
(l) Is the agency's policy regarding whether to first apply restricted or unrestricted resources disclosed as required by GASB Cod. Sec. 2300.106(a)(12) and 1800.134?	YES____ NO____ N/A____ Comments: Page Ref:
(2) Do the notes include disclosures shown below for 17 items (b) through (r) of GASB Cod. Sec. 2300.106 that apply to this entity ?	See below
(a) Cash and Investment disclosures	See below
(i) Do the notes briefly describe the types of <u>deposits and investments</u> authorized by the New Mexico Constitution, New Mexico Statute charters, ordinance, resolution, grant or contract regulations, as applicable?	YES____ NO____ N/A____ Comments: Page Ref:
(ii) Does the report include a list of individual <u>deposit and investment</u> accounts held by the agency that includes the name of depository, account name, type of deposit (<u>non-interest bearing checking, interest bearing checking</u> , savings, CD) or investment (specific types of U.S. Treasuries, U.S. agencies, commercial paper, corporate bonds, etc.) account, the account balance as of the balance sheet date, and the reconciled balance of the deposit and investment accounts as of the balance sheet date, as reported in the financial statements? (Section 2.2.2.10(N)(4)(c) NMAC and Section 12-6-5 NMSA 1978)	YES____ NO____ N/A____ Comments: Page Ref:
(iii) If the agency's <u>deposits and investments</u> are exposed to one or more of the following risks: credit risk; custodial credit risk; concentration of credit risk; interest rate risk; or foreign currency risk, has the agency disclosed its investment policy(ies) related to the risk(s) to which the agency is exposed? If the agency is exposed to one of the above risks but has not formally adopted deposit or	YES____ NO____ N/A____ Comments: Page Ref:

investment policy(ies) to address the risk(s), is that fact disclosed in the notes?	
(iv) If the government has deposits or investments exposed to foreign currency risk, did the government make the disclosures required by GASB 40 ¶ 17?	YES _____ NO _____ N/A _____ Comments: Page Ref:
(v) If risk exposures for deposits or investments are significantly greater at the governmental and business-type activities level, individual major funds, nonmajor funds in the aggregate, or fiduciary fund types level than risk exposure at the entire primary government level, are the disclosures required by ¶ 5 included?	YES _____ NO _____ N/A _____ Comments: Page Ref:
(b) Cash disclosures – Do the notes disclose the definition of custodial credit risk and the custodial credit risk of any deposit that was not covered by depository insurance as required by GASBS 40 ¶ 8 and as shown in Section 2.2.2.10(N)(5)(b) NMAC and GASBS 40 illustration 6?	YES _____ NO _____ N/A _____ Comments: Page Ref:
(c) Investment Disclosures	
(i) Are investments disclosures organized by investment type as required by GASB 40.4?	YES _____ NO _____ N/A _____ Comments: Page Ref:
(ii) If the agency has investments in the State Treasurer’s Local Government Investment Pool, are the interest rate risk (WAM in number of days) and the current credit rating disclosed? See www.stonm.org/NewMexiGROWLGIP for the necessary information. (GASBS 40 ¶ 7) If the agency held investments in the State Treasurer’s Local Government Investment Pool on September 15, 2008, that resulted in an investment in the related Reserve Contingency Fund, did the auditor review the latest STO website GASB 40 disclosure information at www.stonm.org for the status of those Reserve Contingency Funds?	YES _____ NO _____ N/A _____ Comments: Page Ref:
(iii) Credit Quality Risk - For investments like debt securities, external investment pools, money market funds, bond mutual funds, and other pooled investments of fixed-income securities, did the agency disclose the credit quality ratings as required by GASBS 40.7?	YES _____ NO _____ N/A _____ Comments: Page Ref:
(iv) Custodial Credit Risk - If the agency has investment securities (including securities under repurchase agreements) at the end of the period that are exposed to custodial credit risk (securities that are uninsured and not registered in the name of the government), do the notes disclose the information required by GASBS 40.9?	YES _____ NO _____ N/A _____ Comments: Page Ref:
(v) Interest Rate Risk - If the government had deposits or investments in either (1) debt investment pools such as bond mutual funds or (2) external bond investment pools that are not 2a7-like pools, did the disclosure information required by GASB 40.15 (as amended by GASB 59.6) get included in the notes?	YES _____ NO _____ N/A _____ Comments: Page Ref:
(vi) Concentration of Credit Risk - If the government had investments in any one issuer that totaled 5 percent or more of total investments in the agency or in any fund of the agency, did the government disclose that concentration as required by GASBS 40.11 and .12?	YES _____ NO _____ N/A _____ Comments: Page Ref:
(d) Are significant contingent liabilities disclosed in accordance with GASB Cod. Sec. 1500.114 and claims and judgments disclosed in accordance with C50.115?	YES _____ NO _____ N/A _____ Comments: Page Ref:
(e) Is there recording and/or disclosure of events or transactions subsequent to the statement date, but before the financial statements are issued, that have a significant effect on the financial statements, pursuant to GASB Cod. Sec. 2250.109 to .115 and 2300(e).	YES _____ NO _____ N/A _____ Comments: Page Ref:
(f) Budgetary disclosure required by 2.2.2.NMAC.	See below
(i) Do the notes disclose the legal level of budgetary control and the	YES _____ NO _____ N/A _____

<p>basis of accounting used to present the budgetary comparisons? For local governments the legal level of budgetary control is at the fund level. For school districts, the legal level of budgetary control is at the function level. For state agencies the legal level of budgetary control is at the appropriation program level (A-Code, P-Code, R-Code, and Z-Code). (Sections 2.2.2.10(O)(2) and 2.2.2.12A(11) NMAC)</p>	<p>Comments: Page Ref:</p>
<p>(ii) If a budgetary comparison is not presented for an individual fund, do the notes explain the reason for not presenting the budgetary comparison? (GASB Cod. Sec. 2300.108)</p>	<p>YES____ NO____ N/A____ Comments: Page Ref:</p>
<p>(g) Is the required disclosure of annual pension costs and net pension obligations included in the notes as required by GASB Cod. Sec. P20 Pension Activities – Employer Reporting? If the employer participates in the State of New Mexico cost-sharing multiple-employer plans, PERA or ERA, did the agency include the standard note disclosure provided on the SAO website pursuant to GASB Cod. Sec. P20.116)? If the employer participates in a sole or agent employers’ plan then the required disclosure should follow GASB Cod. Sec. P20.118 to .120.</p>	<p>YES____ NO____ N/A____ Comments: Page Ref:</p>
<p>(h) Is the required disclosure of other postemployment benefit (OPEB) cost and net OPEB obligations included in the notes as required by GASB Cod. Sec. 2300.106(g) and P50? If the employer participates in the cost-sharing employers plan the State of New Mexico RHCA, did the agency include the standard note disclosure provided on the SAO website? (GASB Cod. Sec. P50.122) If the agency participates in a “sole and agent employers” plan, did the agency make the disclosures required by GASB Cod. Sec. P50.123 to .125?</p>	<p>YES____ NO____ N/A____ Comments: Page Ref:</p>
<p>(i) Does the disclosure regarding significant violations of finance-related legal or contractual provisions include the entity’s actions to address the violations? (GASB Cod. Sec. 2300.106(h) and Sec. 1200.112)</p>	<p>YES____ NO____ N/A____ Comments: Page Ref:</p>
<p>(j) Are debt service requirements to maturity disclosed in accordance with GASB Cod. Sec. 2300.106(i) and Section 1500.129 and GASBS 38.10(a) and (b)? Are principal and interest requirements to maturity presented separate, for each of the five subsequent fiscal years and in five-year increments thereafter? Are interest requirements for variable-rate debt determined using the rate in effect at the financial statement date? Are the terms by which interest rates change for variable-rate debt disclosed?</p>	<p>YES____ NO____ N/A____ Comments: Page Ref:</p>
<p>(k) Are obligations under capital and noncancelable operating leases disclosed in accordance with GASB Cod. Sec. 2300.106(j) and L20.124 to .125, and GASBS 38.11? Did the agency disclose future minimum payments for each of the five subsequent fiscal years and in five-year increments thereafter for their obligations under capital and noncancelable operating leases?</p>	<p>YES____ NO____ N/A____ Comments: Page Ref:</p>
<p>(l) Are disclosures made about construction and other significant commitments including encumbrances (if applicable) as required by GASB Cod. Sec. 2300.106k?</p>	<p>YES____ NO____ N/A____ Comments: Page Ref:</p>
<p>(m) Do the notes include disclosures about capital assets and long-term liabilities required by GASB Cod. Sec. 2300.106(l) and (m) and GASB 34.116 to 34.120?</p>	<p>YES____ NO____ N/A____ Comments: Page Ref:</p>
<p>(i) Is disclosure made of current-year period depreciation expense and the amounts charged to each of the functions in the statement of activities? (GASBS 34.117(d))</p>	<p>YES____ NO____ N/A____ Comments: Page Ref:</p>
<p>(n) Do the notes disclose deficit fund balances of nonmajor funds and deficit net asset balances of nonmajor funds, if applicable, as required by NCGAI 6.7 and GASB Cod. Sec. 2300.106(n)?</p>	<p>YES____ NO____ N/A____ Comments: Page Ref:</p>

<p>(o) Are required disclosures made regarding interfund balances reported in the fund financial statements, pursuant to GASB Cod. Sec. 2300.106(o) and 2300.126: amounts due from other funds by individual major fund, nonmajor governmental funds in the aggregate, nonmajor enterprise funds in the aggregate, internal service funds in the aggregate, and fiduciary fund type; the purpose for interfund balances; and interfund balances that are not expected to be repaid within one year from the date of the financial statements?</p>	<p>YES _____ NO _____ N/A _____ Comments: Page Ref:</p>
<p>(p) Are interfund transfers disclosures required by GASB Cod. Sec. 2300.106(o) and .127 included: amounts transferred from other funds by individual major fund, nonmajor governmental funds in the aggregate, nonmajor enterprise funds in the aggregate, internal services funds in the aggregate, and fiduciary fund type; a general description of the principal purposes of the government's interfund transfers; and the intended purpose and amount of significant transfers that do not occur on a routine basis or are inconsistent with the activities of the fund making the transfer.</p>	<p>YES _____ NO _____ N/A _____ Comments: Page Ref:</p>
<p>(q) Is there disclosure of the nature and amount of significant transactions between each of the major component units and with the primary government as required by GASB Cod. Sec. 2300.106(p) and GASB 34.128?</p>	<p>YES _____ NO _____ N/A _____ Comments: Page Ref:</p>
<p>(r) If the agency had donor-restricted endowments, is the required disclosure included: the amounts of net appreciation on investments of donor-restricted endowments that are available for authorization for expenditure by the governing board, and how those amounts are reported in net assets; the state law regarding the ability to spend net appreciation; and the policy for authorizing and spending investment income, such as spending-rate or total-return policy. (GASB Cod. Sec. 2300.106(q), 2300.123 and GASB 34.121)</p>	<p>YES _____ NO _____ N/A _____ Comments: Page Ref:</p>
<p>(3) If any of the items shown below apply to this entity, have the required disclosures been included in the notes?</p>	<p>See below</p>
<p>(a) Are the entity's risk management activities disclosed as required by applicable standards? For entities other than risk pools note disclosure should include: a description of the risks of loss to which the entity is exposed and the way in which those risks of loss are handled (purchase of insurance, participation in a public entity risk pool, risk retention); a description of significant reductions in insurance coverage and whether the amount of settlements exceeded insurance coverage for each of the past 3 years; if the entity participates in a risk pool, a description of the nature of the participation, including the rights and the responsibility of the entity and the pool; if the entity retains the risk of loss include the basis for estimating the liabilities, the carrying amount of liabilities for unpaid claims presented at present value and range of discount rates used to discount the liabilities, and the aggregate outstanding amount of claims liabilities covered by annuity contracts for which the related liabilities have been removed from the financial statements, and a reconciliation of changes in the aggregate liabilities for claims for the current fiscal year and the prior fiscal year. (GASB Cod. Sec. 2300 C50.145) If no accrual was made for a loss contingency because the loss was not probable and could not be estimated, was disclosure of the loss made if there was a reasonable possibility that a loss may have been incurred? Did the disclosure include the nature of the contingency and give an estimate of the possible loss or range of loss, or state that such an estimate could not be made? (GASBS Cod. Sec. 2300 C50.115)</p> <p>For agencies that have self-insurance agreements, do the notes disclose</p>	<p>YES _____ NO _____ N/A _____ Comments: Page Ref:</p>

<p>the name of the agency that is providing the insurance and the amount of contribution by the agency to the fund during the year? (Section 2.2.2.10 (X) NMAC)</p> <p>If the entity is a “public entity risk pool” is the disclosure in accordance with the requirements of GASB Cod. Sec. Po.20.148?</p>	
(b) Property Tax Revenue	
(i) If property taxes are included in revenues, do the government-wide full accrual basis financial statements recognize property tax revenues net of estimated refunds and estimated uncollectible amounts, in the period for which the taxes are levied, even if the enforceable legal claim arises or the due date for payment occurs in a different period? [NCGAI 3.6 to 3.8 and 3.11, GASBS 33.17 and 33.18, and GASB Cod. Sec. 2300.107(b)]	<p>YES_____ NO_____ N/A_____</p> <p>Comments:</p> <p>Page Ref:</p>
(ii) If the period of availability for property taxes exceeds 60 days did the government disclose the facts that justify the longer period? (NCGAI 3 paragraph 8)	<p>YES_____ NO_____ N/A_____</p> <p>Comments:</p> <p>Page Ref:</p>
(iii) If the government excluded some revenue from appropriation for cash liquidity purposes, did the government disclose the restricted revenue as a designation of fund balance? (NCGAI 3 paragraph 10)	<p>YES_____ NO_____ N/A_____</p> <p>Comments:</p> <p>Page Ref:</p>
(iv) Did the government disclose the details of the governmental unit’s property tax calendar, lien dates, levy dates, due dates and collection dates? (NCGAI 3 paragraph 11)	<p>YES_____ NO_____ N/A_____</p> <p>Comments:</p> <p>Page Ref:</p>
(c) Is Segment Information disclosed for enterprise funds as required by GASB Cod. Sec. 2300.107(c) and 2500? Segment reporting is not required when an individual fund is both a segment and is reported as a major fund.	<p>YES_____ NO_____ N/A_____</p> <p>Comments:</p> <p>Page Ref:</p>
(d) Regarding presentation of condensed financial statements of major discretely presented component units, see Section K. Component Units, item (5) below on page 23.	<p>YES_____ NO_____ N/A_____</p> <p>Comments:</p> <p>Page Ref:</p>
(e) Do the notes include disclosure regarding short-term debt instruments and liquidity as required by GASB Cod. Sec. 2300.107(e) and .124 and GASBS 38.12? This disclosure pertains to short-term debt activity during the year resulting from borrowings like anticipation notes, use of lines of credit, and similar loans, and applies even if no short term debt was outstanding at year-end. Disclosure should include a schedule of changes with beginning and end-of-year balances, increases, and decreases, and the purpose for which the debt was issued.	<p>YES_____ NO_____ N/A_____</p> <p>Comments:</p> <p>Page Ref:</p>
(f) Are related party transactions disclosed as required by GASBS 56.5? Note that if the substance of a transaction is significantly different from its form because of the involvement of related parties, the financial statements should recognize the substance of the transaction rather than merely its legal form (GASBS 56.4) Disclosure regarding related party transactions includes: borrowing or lending on an interest-free basis or at a rate significantly above or below market rates; selling real estate at a price that differs significantly from the appraised value; exchanging property for similar property in a nonmonetary transaction; and making loans with no scheduled terms for when or how the loans will be repaid. (GASBS 56.5)	<p>YES_____ NO_____ N/A_____</p> <p>Comments:</p> <p>Page Ref:</p>
(g) Do the notes contain the required disclosures for related organizations (organizations that the primary government appoints a voting majority of the board for [is accountable for], but is not financially accountable for)? (GASBS 14.68) Disclosure includes the nature of the PG’s accountability for the organization. The financial statements of the related organization should disclose the primary government that is	<p>YES_____ NO_____ N/A_____</p> <p>Comments:</p> <p>Page Ref:</p>

<p>accountable for it and describe its relationship with that primary government. (GASB 14.68)</p>	
<p>(h) Do the primary government’s notes contain required disclosure regarding the primary government’s joint ventures and jointly governed organizations including; a general description of each joint venture and the participant government’s ongoing financial interest (including equity interest) or ongoing financial responsibility; information regarding whether the joint venture is accumulating significant financial resources or experiencing fiscal stress; and information about the availability of separate financial statements of the joint venture; and related party transactions with the joint venture. The additional disclosures required by the Section 2.2.2(10)(W) NMAC should also be included. (GASB Cod. Sec. J50.109)</p>	
<p>(i) If the agency extinguished any debt through an advanced refunding or current refunding were the disclosures required by GASB Cod. Sec. D20.111-.118 included? If the agency is a “debtor” that had “troubled debt restructurings” did the agency disclose the information required by GASB Cod. Sec. D20.138 and .139? If the agency is a “creditor” that had “troubled debt restructurings” did the agency make the disclosures required by GASB Cod. Sec. D20.153 and .154?</p>	<p>YES___ NO___ N/A___ Comments: Page Ref:</p>
<p>(j) If nonexchange transactions (grants, taxes, and contributions) are not recognized because they are not measurable (reasonably estimable) or are not probable of collection, were they disclosed as required by GASB Cod. Sec. 2300.107 (j) and GASBS 33.11 as amended by GASBS 35.5.</p>	<p>YES___ NO___ N/A___ Comments: Page Ref:</p>
<p>(k) Regarding disclosure of the agency’s fund balance classification policies and procedures, are the following disclosures included: for committed fund balance, the highest level of decision-making authority and the formal action that is required to be taken to establish (and modify or rescind) a fund balance commitment; for assigned fund balance, the body or official authorized to assign amount to a specific purpose and the policy established by the governing body pursuant to which the authorization is given; and whether committed, assigned, or unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. (GASB Cod. Sec. 2300.107(k) and 1800.183)?</p>	<p>YES___ NO___ N/A___ Comments: Page Ref:</p>
<p>(l) Are any interfund eliminations in the fund or combining financial statements apparent from the headings or disclosed in the notes as required by GASB Cod. Sec. 2200 footnote 5?</p>	<p>YES___ NO___ N/A___ Comments: Page Ref:</p>
<p>(m) Has disclosure regarding the <u>pension plan</u> been made in separately issued plan and employer statements?</p> <p><u>Defined Benefit Plans –</u> If the reporting entity is a defined benefit pension <u>Plan</u> do the notes include the disclosure required by Pe5.124. If the reporting entity is an employer that participates in a defined benefit pension plan, do the notes include the required disclosure, depending on whether the employer participates in a cost-sharing multiple-employer plan like PERA & ERB (P20.117) or “sole and agent” plan (P20.118 to .120)?</p> <p><u>Defined Contribution Plans -</u> Has disclosure regarding the pension plan been made in separately issued Plan and employer financial statements for <u>defined contribution</u> plans as required by Pe6.104?</p>	<p>YES___ NO___ N/A___ Comments: Page Ref:</p>

<p>(n) Has disclosure regarding the postemployment benefit plan other than pension plans (OPEB) been made in separately issued Plan and employer statements as follows?</p> <p><u>Defined Benefit Plan -</u> Do the notes for a <u>defined benefit Plan</u> include the disclosure required by Po50.126 to .128? For employers that participate in a cost-sharing multiple-employer plan (like RHCA), do the notes include the information required by P50.122? For employers that participate in sole and agent employer plans, do the notes include the information required by P50.122 and .123, plus the RSI required by P50.124?</p> <p><u>Defined Contribution Plan-</u> Do the notes for a defined contribution Plan include the disclosure required by Pe6.104? For employers that participate in a defined contribution plan, are the disclosures required by P50.129 included the employer's financial statements?</p>	<p>YES _____ NO _____ N/A _____</p> <p>Comments:</p> <p>Page Ref:</p>
<p>(o) If proprietary fund bond, tax, or revenue anticipation notes were excluded from fund or current liabilities was the appropriate disclosure included in the notes? (GASB Cod. Sec. 2300.107(o))</p>	<p>YES _____ NO _____ N/A _____</p> <p>Comments:</p> <p>Page Ref:</p>
<p>(p) If there are inconsistencies in amounts reported as due to or due from between component units that have different fiscal years, were the disclosures required by GASB Cod. Sec. 2300.107 (p), 2600.119 and GASB 14.60 made?</p>	<p>YES _____ NO _____ N/A _____</p> <p>Comments:</p> <p>Page Ref:</p>
<p>(q) If the audit report is a separate report for a component unit, is there note disclosure identifying: the primary government in whose financial report the component unit is included and the component unit's relationship with the primary government as required by GASB Cod. Sec. 2300.107(q) and 2600.124 and GASB 14.65?</p>	<p>YES _____ NO _____ N/A _____</p> <p>Comments:</p> <p>Page Ref:</p>
<p>(r) If the agency made any reverse repurchase agreements, do the notes disclose the information required by GASB Cod. Sec. I55.106 to .114?</p>	<p>YES _____ NO _____ N/A _____</p> <p>Comments:</p> <p>Page Ref:</p>
<p>(s) If the agency participated in securities lending transactions do the notes include the disclosures required by GASB Cod. Sec. I60.109-.114?</p>	<p>YES _____ NO _____ N/A _____</p> <p>Comments:</p> <p>Page Ref:</p>
<p>(t) If the government has special assessment debt and related activities, are the disclosures required by GASB Cod. Sec. 2300.107(t) and GASBS 6.20 and 6.21 included in the notes?</p>	<p>YES _____ NO _____ N/A _____</p> <p>Comments:</p> <p>Page Ref:</p>
<p>(u) If the government has demand bonds outstanding, are the disclosures required by GASB Cod. Sec. 2300.107(u) and GASBI 1.11 and 1.12 included?</p>	<p>YES _____ NO _____ N/A _____</p> <p>Comments:</p> <p>Page Ref:</p>
<p>(v) If the government has landfill closure and postclosure care responsibilities, do the notes include the disclosure required by GASB Cod. Sec. L10.115-.116? (GASBS 18.17 and 18.18)</p>	<p>YES _____ NO _____ N/A _____</p> <p>Comments:</p> <p>Page Ref:</p>
<p>(w) If the agency has recognized pollution remediation liabilities and recoveries of pollution remediation outlays, did the agency make the disclosures required by GASBS 49.25? If the agency has pollution remediation liabilities or portions thereof, that are not yet recognized because they are not reasonably estimable, did the agency make the disclosure required by GASBS 49.26?</p>	<p>YES _____ NO _____ N/A _____</p> <p>Comments:</p> <p>Page Ref:</p>
<p>(x) If the agency is an employer government that received on-behalf payments for fringe benefits and salaries, do the notes include the disclosure required by GASB Cod. Sec. N50.134?</p>	<p>YES _____ NO _____ N/A _____</p> <p>Comments:</p> <p>Page Ref:</p>
<p>(y) If the government is involved in conduit debt obligations are the disclosures required by GASB Cod. Sec. C65.102 included?</p>	<p>YES _____ NO _____ N/A _____</p> <p>Comments:</p>

	Page Ref:
(z) If the agency is the sponsoring government of an external investment pool (such as the NM Office of the State Treasurer that sponsors the Local Government Investment Pool [LGIP]), does the agency's report include the disclosures required by GASB Cod. Sec. In5.103?	YES____ NO____ N/A____ Comments: Page Ref:
(aa) Do the notes include the amount of interest expense included in direct expenses in the government-wide statement of activities as required by GASB Cod. Sec. 2300.107(aa) and GASB 34.46.	YES____ NO____ N/A____ Comments: Page Ref:
(bb) If the agency had significant transactions or other events that are either unusual or infrequent but not within the control of management (like contribution to term and permanent endowments, contributions to permanent fund principal) were they reported separately from, but in the same manner as, general revenues and disclosed as required by (GASB Cod. Sec. 2200.144 and .168)	YES____ NO____ N/A____ Comments: Page Ref:
(cc) If aggregated information in the reconciliations of the fund financial statements to the government-wide financial statements obscures individual reconciling items, do the notes provide more detailed information about the reconciling items as required by GASB Cod. Sec. 2300.107(cc) and GASB 34.77?	YES____ NO____ N/A____ Comments: Page Ref:
(dd) If there are discounts and allowances that reduce gross revenues are they reported either parenthetically or directly beneath the revenues in the financial statements or in the notes as required by GASB Cod. Sec. 2300.107(dd) and 2200 footnote 44?	YES____ NO____ N/A____ Comments: Page Ref:
(ee) Aggregated receivables and payables	See below
(i) If receivables balances are aggregations of different components, do the notes include the disclosure required by GASBS 38.13?	YES____ NO____ N/A____ Comments: Page Ref:
(ii) If the agency has significant receivable balances that are not expected to be collected within one year of the date of the financial statements, are they disclosed as required by GASBS 38.13?	YES____ NO____ N/A____ Comments: Page Ref:
(iii) If payables balances are an aggregation of different components, do the notes include the disclosure required by GASBS 38.13?	YES____ NO____ N/A____ Comments: Page Ref:
(ff) Were impaired assets accounted for and disclosed as follows? If the agency had a capital asset impairment loss that was not temporary, was the loss reported in the statement of activities and statement of revenues, expenses, and changes in fund net position as a direct program expense or operating expense, special item or extraordinary item as appropriate? (GASB 42.17) If not apparent from the financial statements, were the following disclosures made in the notes: a general description, the amount, and the financial statement classification (i.e. public works or instruction) of the impairment loss? Regardless of whether the impairment was considered temporary, did the notes disclose the carrying amount of the impaired capital assets that were idle at year-end? (GASBS 42.20) In the fund financial statements restoration or replacement of an impaired capital asset should be reported as a separate transaction from the related insurance recovery that is reported as "other financing source" or extraordinary item. In In both governmental and business-type activities in Government-wide financial statements and proprietary fund financial statements, restoration or replacement of an impaired capital asset should be reported as a separate transaction from the impairment loss and related insurance	YES____ NO____ N/A____ Comments: Page Ref:

<p>recovery. The impairment loss should be reported net of the insurance recovery when the recovery and loss occur in the same year. Insurance recoveries reported in subsequent years should be reported as a program revenue, nonoperating revenue, or extraordinary item. Insurance recoveries should be recognized only when realized or realizable (the insurance company has admitted coverage). If not apparent from the financial statements, the amount and financial statement classification of the insurance recovery should be disclosed. (GASBS 42.21)</p>	
<p>(gg) Is there disclosure of the primary government's net assets that are restricted by enabling legislation as required by GASB Cod. Sec. 2200.119-.122 and by GASB 46.6 and Illustration 1?</p>	<p>YES____ NO____ N/A____ Comments: Page Ref:</p>
<p>(hh) Did the agency have termination benefits (as defined by GASBS 47.3) that require disclosure? (GASB Cod. Sec. T25.114-.117) Termination benefits are benefits provided by employers to employees as an inducement to hasten the termination of services or as a result of a voluntary early termination or as a consequence of the involuntary early termination of services. Termination benefits include early-retirement incentives, severance benefits, and other termination-related benefits. If applicable, were the required disclosures made?</p>	<p>YES____ NO____ N/A____ Comments: Page Ref:</p>
<p>(ii) If the agency has future revenues that are pledged (formally committed to directly collateralize or secure debt of the pledging government, or directly or indirectly collateralize or secure debt of a component unit), did the agency include in the notes: the identification of the specific revenue pledged and the approximate amount of the pledge (remaining principal and interest requirements of the secured debt); identify the general purpose for the debt secured by the pledged revenue; the term of the commitment (period the revenue will not be available for other purposes); the portion of that specific revenue stream that has been pledged; and a comparison of the pledged revenue recognized during the period to the principal and interest requirements of the debt collateralized by those revenues. (GASB Cod. Sec 2300.128)</p>	<p>YES____ NO____ N/A____ Comments: Page Ref:</p>
<p>(jj) If the agency had derivatives, were the notes disclosures required by GASB Cod. Sec. D40.164 to .175 included as appropriate?</p>	
<p>(kk) If applicable is there disclosure of the conditions and events causing substantial doubt about the government's ability to continue as a going concern, pursuant to GASBS 56.19?</p>	
<p>(ll) If applicable is the disclosure about the government filing for a bankruptcy included, pursuant to GASBS 58.15?</p>	
<p>(mm) If the government has established a stabilization arrangement (even if it does not meet the criteria to be classified as restricted or committed) did the government make the related disclosures required by GASBS 54.26?</p>	
<p>(nn) If the governing body has formally adopted a minimum fund balance policy (in lieu of separately setting aside stabilization amounts), did the government disclose the policy establishing that minimum amount? (GASBS 54.27)</p>	
<p>(oo) If the government has special revenue funds did the government disclose the purpose for each major special revenue fund identifying which revenues and other resources are reported in each, pursuant to GASBS 42.21?</p>	
<p>(4) If the beginning net assets or fund balance was restated (1) due to prior period adjustment for correction of an error, or (2) for the cumulative effect of a change to a new accounting principle, or (3) due to a change in the reporting entity, do the notes (1) explain the prior period adjustment, or (2) the effect of adopting the new accounting principle, or (3) the nature of the change in the reporting entity, the reason for the change, and the effect of the change on</p>	<p>YES____ NO____ N/A____ Comments:</p>

beginning net assets/fund net assets? (APB 20 ¶ 36 and APB No. 9 and GASBS 62.62, 62.81, and 62.87)	Page Ref:
(5) Do the notes appear in a logical order as illustrated at GASBS Cod. Sec. 2300.901?	YES _____ NO _____ N/A _____ Comments: Page Ref:
H. Other Accounting and Reporting Issues	
(1) Cash in the fund financial statements - If one fund has overdrawn its share of the agency's internal pooled cash, does that fund report an interfund liability to the fund that loaned the amount to the overdrawn fund? Does the fund deemed to have loaned the amount report an interfund receivable from the borrowing fund? If applicable, have actual cash bank balance overdrafts been reported as required by AAG-SLV 5.29?	YES _____ NO _____ N/A _____ Comments: Page Ref:
(2) Derivatives – If the audit report is for FY10, and the government entered into derivatives, did the government account for its derivatives in accordance with the requirements of GASBS 53? If the audit report is for FY11 and the government entered into derivatives, did the government account for its derivatives in accordance with GASBS 53 as amended by GASBS 59?	YES _____ NO _____ N/A _____ Comments: Page Ref:
(3) Accounts Receivable Account Balances – For nonexchange transactions, is the accounts receivable amount on the government-wide statement equal to the accounts receivable amount on the fund financial statement? The answer should be “yes” (at least for the current period) because amounts that are “unavailable” are debited out of revenue and credited to deferred revenue in the fund financial statements only. The account receivable amount remains the same during the conversion from accrual to modified accrual basis. (GASBS 33 ¶ 103)	YES _____ NO _____ N/A _____ Comments: Page Ref:
(4) For FY10 (and later) audit reports, if the government has intangible assets were they accounted for in accordance with GASBS 51? Note the requirement for retroactive reporting in some cases. (GASBS 51.21 to 51.23)	YES _____ NO _____ N/A _____ Comments: Page Ref:
(5) If the agency has an endowment fund with land or other investments in it, has the endowment fund properly reported its land and other real estate investments as required by GASBS 52? This is not applicable to lands granted by the Federal government in connection with a state being admitted to the United States.	YES _____ NO _____ N/A _____ Comments: Page Ref:
(6) Accrued Liability for pollution remediation - If any of the five obligating events described in GASBS 49.11 occurred, did the agency estimate the component of expected pollution remediation outlays and determine whether outlays for those components should be accrued as a liability, or, if appropriate, be capitalized when goods and services were acquired?	YES _____ NO _____ N/A _____ Comments: Page Ref:
I. Audit Rule Requirements	
(1) Is the authority (i.e., cite the specific statute, federal regulation, executive order, ordinance, etc.) for creation of each special revenue fund disclosed in the notes or in the divider page that describes the purpose of each fund? (Section 2.2.2.10(M) NMAC)	YES _____ NO _____ N/A _____ Comments: Page Ref:
(2) Did the agency receive or administer any special capital outlay appropriations from the State Legislature? If not, check N/A and proceed to the next question. If capital outlay appropriations were received, the following questions should be answered:	YES _____ NO _____ N/A _____ Comments: Page Ref:
(a) Did the financial statements of the entity recognize the transactions (revenues, expenditures, and related assets and liabilities) in accordance with GASBS 33 as detailed in DFA's instructions (“Accounting and Financial Statement Presentation of Appropriated Bond Proceeds”) that are posted on their Financial Control Division's (FCD) website at http://fcdsu.dfa.state.nm.us/Forums ? The revenues and receivables should be recognized when all of the eligibility requirements established	YES _____ NO _____ N/A _____ Comments:

<p>by the Board of Finance (Section 2.61.6 NMAC) have been met (<u>when DFA-BOF approves the draw down request</u>). Refer to DFA's instructions to review the applicable journal entries.</p> <p>(b) If the prior year financial statements reported any reserved fund balances for capital projects, was the beginning fund balance restated and explained in the notes to the financial statements as necessary? Refer to DFA's instructions for the journal entries and standard note disclosure for the restatement.</p>	<p>Page Ref:</p>
<p>(3) For state agencies only - Are all Statewide Human Resources Accounting and Management Reporting System (SHARE) funds individually reported either as a major fund in the basic financial statements or in a combining statement in the supplementary information section? (Section 2.2.2.12(A)(2) NMAC).</p>	<p>YES____ NO____ N/A____ Comments: Page Ref:</p>
<p>(4) For state agencies only – If goods and services were received (as defined by GAAP) by the end of the fiscal year, but not paid for by the end of the fiscal year, an accounts payable should be reported for the respective amount due, in both the government-wide financial statements and the fund financial statements. Pursuant to Section 6-10-4 NMSA 1978, the “actual” expenditures in the budgetary comparison exclude any accounts payable that were not paid timely and therefore require a request to the DFA Financial Control Division to pay prior year bills out of current year budget. Do the accounts payable in the financial statements include the “requests to pay prior year bill with current funds” amounts; and do the actual expenditures reported in the budgetary comparisons exclude the “requests to pay prior year bills with current funds” amounts? Are the “requests to pay prior year bill with current year fund” amounts included in the related reconciliations? (Section 2.2.2.12.(A)(3) NMAC)</p>	<p>YES____ NO____ N/A____ Comments: Page Ref:</p>
<p>(5) For state agencies only – Are the amounts due to and from other state agencies disclosed in the notes? Are the names of the state agencies, the purposes of the due to/from balances, and the SHARE fund numbers for each state agency included in the disclosure as required by Section 2.2.2.12(A)(13) NMAC?</p>	<p>YES____ NO____ N/A____ Comments: Page Ref:</p>
<p>(6) For state agencies only – Are inter-agency transfers (between an agency's internal funds and the other funds of the State, segregated from intra-agency transfers (between funds within the agency) and fully explained in the notes providing the agency name, number, SHARE fund numbers to which and from which the funds were transferred, and the purpose of the transfers? (Section 2.2.2.12(A)(7)(b) NMAC)</p>	<p>YES____ NO____ N/A____ Comments: Page Ref:</p>
<p>(7) For state agencies only regarding reverting funds -</p>	
<p>(a) If non-reverting appropriations are commingled with reverting appropriations, <u>do the notes disclose</u> the methods and amounts used to calculate reversions. (Section 2.2.2.10(C) NMAC)</p>	<p>YES____ NO____ N/A____ Comments: Page Ref:</p>
<p>(b) In the description of each individual fund, do the notes disclose the reverting or non-reverting status of each fund? If the fund does not revert, do the notes to the financial statements disclose <u>the specific legislation</u> that makes a fund or appropriation non-reverting? (Section 2.2.2.10(C) NMAC)</p>	<p>YES____ NO____ N/A____ Comments: Page Ref:</p>
<p>(c) Does the report include an audit finding for failure to transfer reverting funds to the State General Fund in a timely manner (by September 30th pursuant to Section 6-5-10(A) NMSA 1978)? (Section 2.2.2.12(A)(6)(b) NMAC)</p>	<p>YES____ NO____ N/A____ Comments: Page Ref:</p>
<p>J. Combining and Individual Fund Financial Statements -</p>	
<p>(1) If applicable, are combining statements for the nonmajor funds included after the notes as <u>audited</u> supplemental information? Do the total amounts in the combining statements agree with the respective amounts shown in the basic financial statements? (Sec 2.2.2.10(A)(2)(d) NMAC and GASBS 34</p>	<p>YES____ NO____ N/A____ Comments: Page Ref:</p>

Examples H-1 and H-2)	
(2) If the agency has multiple internal service funds is there a separate combining statement for those multiple internal service funds? Do the total amounts shown in the combining statement tie to the respective internal services column amounts in the Proprietary Fund Financial Statements? (Section 2.2.2.10(A)(2)(d) NMAC and GASBS 34, Example H-3 and H-4)	YES____ NO____ N/A____ Comments: Page Ref:
K. Component Units – GASBS 34 ¶ 124-128 and Example F	
(1) For School Districts and Charter Schools - The Public Education Department sent a memo dated June 7, 2011, to all school districts with charter school component units, stating that GASB 61 should not be early implemented in FY11. Did the District and Charter Schools refrain from early implementing GASB 61?	YES____ NO____ N/A____ Comments: Page Ref:
(2) If there are no component units, is that fact specifically stated in the Summary of Significant Accounting Policies note about the Reporting Entity, as required by Section 2.2.2.10(A)(1)(b) NMAC?	YES____ NO____ N/A____ Comments: Page Ref:
(3) If a component unit is presented in any way other than “discretely,” did the agency obtain the related exemption from the State Auditor? Also, if there was a change from the prior year’s method of presenting a component unit, do the notes disclose the reason(s) for changing the presentation from a component unit to a department, visa versa, or some other type of change? (Sections 2.2.2.10(A)(1)(a) and 2.2.2.12(B)(2)(b) NMAC)	YES____ NO____ N/A____ Comments: Page Ref:
(4) If the component unit audit was performed by a different auditor from the primary government auditor, was an exemption obtained from the State Auditor’s Office as required by Section 2.2.2.10(A)(1)(c) NMAC? (Except for component unit housing authorities that are authorized by statute to use a different auditor) (Section 12-6-3(D) NMSA 1978)	YES____ NO____ N/A____ Comments: Page Ref:
(5) If there are multiple discretely presented component units that are combined into one column in the government-wide financial statements, is information provided in the basic financial statements about each component unit by one of the 3 methods required by GASB 34.126 and GASBS 37.18: (1) presenting each major component unit in a separate column in the reporting entity’s statements of net assets and activities; (2) including combining statements of major component units in the primary government’s basic statements after the fund financial statements; or (3) presenting condensed financial statements in the notes to the reporting entity’s financial statements?	YES____ NO____ N/A____ Comments: Page Ref:
(6) Is the level of detail reported consistent with the materiality level required for the component unit: In general, at the individual fund level within the component unit. (Section 2.2.2.10(A)(1)(d) NMAC)	YES____ NO____ N/A____ Comments: Page Ref:
(7) If there are no separately issued financial statements for the component unit, are fund financial statements for the component unit included as audited supplemental information? (Section 2.2.2.10(A)(1)(e)(i) NMAC and AAG-SLV 3.20)	YES____ NO____ N/A____ Comments: Page Ref:
(8) Are transactions between the primary government and discretely presented component units reported as external transactions, and are receivables/payables reported on a separate line? (GASBS 34.61)	YES____ NO____ N/A____ Comments: Page Ref:
(9) Do the notes disclose for each major component unit, the nature and amount of significant transactions with the primary government and other component units as required by GASBS 34.128?	YES____ NO____ N/A____ Comments: Page Ref:
(10) If separately issued financial statements of the component unit are not available, are individual fund budgetary comparisons included in the supplemental information section of the report, for each component unit fund with a legally adopted budget? The OSA interprets a “legally adopted budget” to exist any time the agency prepared a budget and in every case where an entity receives federal funds, state funds, or any other “appropriated funds.” According to Sections 6-6-1 and 6-6-6 NMSA 1978, all local governments	YES____ NO____ N/A____ Comments:

including special districts are required to comply with DFA’s budget approval and reporting process. (AAG-SLV 11.04 and Section 2.2.2.10(A)(1)(e)(ii) NMAC)	Page Ref:
(11) Are the component unit audit findings included in the audit report of the primary government? (Section 2.2.2.10(I)(6) NMAC)	YES _____ NO _____ N/A _____ Comments: Page Ref:
(12) If the primary government has component units that are omitted due to materiality, did the agency and auditor ensure that all 501(c) 3 components of the primary government, with gross annual incomes in excess of \$100,000, were audited as required by Section 6-5A-1 NMSA 1978? (Section 2.2.2.10(A)(1)(b) NMAC)	YES _____ NO _____ N/A _____ Comments: Page Ref:
(13) If there were any separate audit reports written for any of the agency’s component units, were all of them submitted to the Office of the State Auditor for review by the date the primary government audit report was due? Was a separate review guide and reporting package submitted to the State Auditor for each separate report of a component unit? (Section 2.2.2.9(A)(1)(i) NMAC)	YES _____ NO _____ N/A _____ Comments: Page Ref:
5 RSI required by GAAP – If the agency uses the infrastructure-modified approach, does the report present the RSI required by GASB 34.132?	YES _____ NO _____ N/A _____ Comments: Page Ref:
6 Other Supplementary Information (Required by the Audit Rule)	
A. Does the audit report include a supplementary schedule that discloses the collateral pledged by each bank and savings and loan that is a depository for public funds? The schedule should disclose the type of security (i.e. bond, note, Treasury bill, etc.), security number, CUSIP number, fair market value, and maturity date. The schedule should also disclose the name of the custodian and the place of safekeeping for all collateral. (Section 2.2.2.10(N)(5)(a) NMAC)	YES _____ NO _____ N/A _____ Comments: Page Ref:
B. Special, Deficiency, Specific and Capital Outlay Appropriations: If special, deficiency, or specific appropriations (including those for capital outlay projects) were appropriated to the agency, is the following information disclosed in the notes or a Schedule of Special Appropriations: the original appropriation, the appropriation period, expenditures to date; outstanding encumbrances; and related unencumbered balances (if applicable)? (Section 2.2.2.10(P)(2) NMAC) If there is an unexpended balance, does either the schedule or the notes disclose fully explain the accounting treatment of the unexpended balance? (Section 2.2.2.10(P)(2) NMAC)	YES _____ NO _____ N/A _____ Comments: Page Ref:
C. Are all Joint Powers Agreements and Memorandums of Understanding disclosed in the notes or a schedule including the elements required by Section 2.2.2.10(W) NMAC?	YES _____ NO _____ N/A _____ Comments: Page Ref:
D. For counties only: does the audit report include the following schedules: 1) a “Tax Roll Reconciliation of Changes in the County Treasurer’s Property Taxes Receivable” showing the June 30 th receivable balance and a breakout of the receivable for the most recent fiscal year ended, and a total for the previous nine fiscal years; and 2) a “County Treasurer’s Property Tax Schedule” showing by property tax type and agency, the amount of taxes levied; collected in the current year; collected to-date; distributed in the current year; distributed to-date; the amount determined to be uncollectible in the current year; the uncollectible amount to-date; and the outstanding receivable balance at the end of the fiscal year? If the county does not have a system set up to gather and report the necessary information, was a finding reported? (Section 2.2.2.12(D) NMAC)	YES _____ NO _____ N/A _____ Comments: Page Ref:
E. For housing authorities only: Does the audit report include a Financial Data Schedule? If there are material differences between the schedule and the financial statements, are the differences reconciled and explained in notes to the schedule? (Sections 2.2.2.12(B)(5)(a)(ii-iv) NMAC).	YES _____ NO _____ N/A _____ Comments: Page Ref:
F. For School Districts and REC’s – Does the audit report include a cash	YES _____ NO _____ N/A _____

<p>reconciliation schedule that reconciles the cash balances as of the end of the previous fiscal year to the cash balances as of the end of the current fiscal year? Does the schedule account for cash in the same categories used by the District or REC in its monthly cash reports to the PED? If there are differences in cash per the agency financial statements and the cash per the agency’s accounting records, did the IPA provide the adjusting entries to the agency to reconcile cash per the financial statements to cash per the accounting records? If the cash per the agency accounting records differed from the cash amount per the agency reports to PED in the monthly cash report, did the IPA write a finding stating that the PED reports do not reconcile to the agency records? [Sections 2.2.2.12(C)(3)(e) and (4)(b) NMAC]</p>	<p>Comments:</p> <p>Page Ref:</p>
<p>G. If the audit report includes a statistical section (in a CAFR or non-CAFR report), does it comply with the GASBS 44 requirements to include the five categories of information: financial trends; revenue capacity; debt capacity; demographic and economic; and operating?</p>	<p>YES___ NO___ N/A___</p> <p>Comments:</p> <p>Page Ref:</p>
<p>H. Does the Single Audit report include a Schedule of Expenditures of Federal Awards (SEFA) that includes the required information listed below? (A-133 .310(b); AAG-SLA 7.10) (The DFA Local Government Division has information on its website at www.nmdfa.state.nm.us regarding financial distributions. Select the “Local Government” tab at the top of the website and then click on “budget & Finance Bureau” and then “Financial Distribution” to view this information to ensure that all federal awards are included in the agency’s SEFA.)</p>	<p>See below</p>
<p>(1) Does the SEFA list individual federal programs by federal agency? (A-133 .310(b)(1) and AAG-SLA 7.10)</p>	<p>YES___ NO___ N/A___</p> <p>Comments:</p> <p>Page Ref:</p>
<p>(2) For federal programs included in a cluster of programs, does the SEFA list individual federal programs within the cluster of programs? For research and development, are the total federal awards expended shown either by individual award or by federal agency and major subdivision within the federal agency? (A-133 .310(b)(1) and AAG-SLA 7.10)</p>	<p>YES___ NO___ N/A___</p> <p>Comments:</p> <p>Page Ref:</p>
<p>(3) For federal awards received as a subrecipient, does the schedule include the name of the pass-through entity <u>and the identifying number</u> assigned by the pass-through entity? (A-133 .310(b)(2)); AAG-SLA 7.10)</p>	<p>YES___ NO___ N/A___</p> <p>Comments:</p> <p>Page Ref:</p>
<p>(4) Does the schedule provide the total federal awards expended for each individual federal program and the CFDA number or other identifying number when the CFDA number is not available? If the entity expended American Recovery and Reinvestment Act (ARRA) awards during the fiscal year, are they separately identified in the Schedule of Federal Awards? This separate identification should also include the R&D cluster regardless of the accommodation made in paragraph .310(b)(1) of OMB Circular A-133. (A-133 .310(b)(3)); AAG-SLA 7.10, Appendix 7 of the 2009 Compliance Supplement)</p>	<p>YES___ NO___ N/A___</p> <p>Comments:</p> <p>Page Ref:</p>
<p>(5) Does the schedule include notes that describe the significant accounting policies used in preparing the schedule? (A-133 .310(b)(4)); AAG-SLA 7.10)</p>	<p>YES___ NO___ N/A___</p> <p>Comments:</p> <p>Page Ref:</p>
<p>(6) For federal awards the agency received for the purpose of passing through to other entities, does the schedule show the total amount provided to those subrecipients from each federal program (to the extent practical)? (A-133 .310 (b) (5); AAG-SLA 7.10)</p>	<p>YES___ NO___ N/A___</p> <p>Comments:</p> <p>Page Ref:</p>
<p>(7) Does the schedule include in either the schedule itself or a note to the schedule, the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans and loan guarantees outstanding at year-end? (A-133 .310 (b)(6); AAG-SLA 7.10)</p>	<p>YES___ NO___ N/A___</p> <p>Comments:</p> <p>Page Ref:</p>
<p>(8) Is the value of federal awards expended in the form of loans or loan</p>	<p>YES___ NO___ N/A___</p>

guarantees outstanding at year end either disclosed in the notes or shown in the Schedule of Expenditures of Federal Awards? (A-133 .310(b)(6); AAG-SLA 7.10)	Comments: Page Ref:
(9) When the auditor considered whether the agency was a low-risk auditee, did the auditor take into consideration the fact that an agency that submitted its reporting package to the federal clearing house late in either of the two prior years cannot be considered a “low risk” entity? The due date for submission is the earlier of 30 days after the receipt of the auditor’s reports, or nine months after the end of the audit period. (OMB Memorandum dated March, 22, 2010 titled Updated Guidance on the American Recovery and Reinvestment Act)	YES____ NO____ N/A____ Comments: Page Ref:
(10) Was at least 50% of the federal award dollars expended tested as major programs if the entity was not a low-risk auditee? Was at least 25% of federal award dollars expended tested as major programs if the entity was a low-risk auditee? (A-133 .520(f) and AAG-SLA 8.21)	YES____ NO____ N/A____ Comments: Page Ref:
I. Do the amounts reported in the notes and schedules agree to the amounts reported in the financial statements, including the reconciliations in the basic financial statements?	YES____ NO____ N/A____ Comments: Page Ref:
J. Have all the financial statements, notes and schedules been footed and cross-footed for clerical accuracy?	YES____ NO____ N/A____ Comments: Page Ref:
7 Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards (This is required in all audit reports in accordance with the audit contract. Follow the applicable examples on the State Auditor’s website. FY10 and later reports should follow the report examples that have been updated for SAS 115. FY09 and earlier reports should follow the pre-SAS 115 report examples (unless SAS 115 was early implemented in FY09). SAS 115 could not be implemented prior to FY09 because it did not exist then. AAG-SLA 4.51 provides additional report examples if the examples on the website are not applicable.	
A. Does the report contain all the required elements listed at AAG-SLA 4.28 and does the report follow the appropriate report example from AAG-SLA 4.51?	YES____ NO____ N/A____ Comments: Page Ref:
B. Do the findings referenced in the report correlate to the findings in the Schedule of Findings and Questioned Costs? FY10 reports and later should not include material weaknesses a second time as a significant deficiency. (AAG-SLA 4.51 Example 4-7) But FY09 and earlier reports should include material weaknesses a second time as a significant deficiency, if SAS 115 was not early implemented in FY09.	YES____ NO____ N/A____ Comments: Page Ref:
C. Is the date of the report the same as the dates on the Independent Auditor’s Report and the Report on Compliance for Major Programs? (AAG-SLA 4.28 (r) and Section 2.2.2 10(T)(2)(a) NMAC)	YES____ NO____ N/A____ Comments: Page Ref:
8 Single Audit	
Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with Circular A-133 (Follow the examples at AAG SLA 13.56. Remember that FY10 and later reports should follow the examples that have been updated for SAS 115. Reports for fiscal years FY09 could have early implemented SAS 115. Reports for earlier fiscal years should follow the pre-SAS 115 examples from an older version of AAG SLA.3.51.	
A. Does the report include all the required elements listed at AAG-SLA 13.23? For FY10 and later audits , does the report follow the appropriate example report that has been updated for SAS 115? If SAS 115 was not implemented early in FY09, does the FY09 report follow the older pre-SAS 115 report example?	YES____ NO____ N/A____ Comments: Page Ref:

B. Do the findings referred to in the report correlate with the findings in the Schedule of Findings and Questioned Costs?	YES _____ NO _____ N/A _____ Comments: Page Ref:
9 Schedule of Findings and Questioned Costs (AAG-SLA 13.31; Sections 2.2.2.10(I) NMAC.; A-133.505d; GAGAS 4.14 to 4.18) Is the Schedule titled "Schedule of Findings and Questioned Cost" in the report? Is the Schedule of Findings and Questioned Costs included regardless of whether any findings or questioned costs are noted? (AAG-SLA 13.42)	YES _____ NO _____ N/A _____ Comments: Page Ref:
A. Does the Schedule of Findings and Questioned Costs begin with a Summary of Auditor's Results section containing the following elements? (A-133 .505d)	YES _____ NO _____ N/A _____ Comments: Page Ref:
(1) The type of report the auditor issued on the financial statements of the agency (unqualified opinion, qualified opinion, adverse opinion, or disclaimer of opinion.) (A-133 .505(d)(i))	YES _____ NO _____ N/A _____ Comments: Page Ref:
(2) A statement regarding whether or not any significant deficiencies in internal control were disclosed by the audit of the financial statements and whether any such conditions were material weaknesses. (A-133 .505(d)(ii))	YES _____ NO _____ N/A _____ Comments: Page Ref:
(3) A statement regarding whether or not the audit disclosed any non-compliance that is material to the financial statements. (A-133 .505(d)(iii))	YES _____ NO _____ N/A _____ Comments: Page Ref:
(4) A statement regarding whether or not significant deficiencies in the internal control over major programs were disclosed by the audit and whether any such conditions were material weaknesses. (A-133 .505(d)(iv))	YES _____ NO _____ N/A _____ Comments: Page Ref:
(5) The type of report the auditor issued on compliance for major programs (unqualified opinion, qualified opinion, adverse opinion, or disclaimer of opinion). (A-133 .505(d)(v))	YES _____ NO _____ N/A _____ Comments: Page Ref:
(6) A statement whether the audit disclosed any audit findings that the auditor is required to report under 510(a) of Circular A-133 such as: (1) significant deficiencies in internal control over major programs; (2) material (in relation to a type of compliance requirement for a major program or audit objective in the compliance supplement) noncompliance with the provisions of laws, etc.; (3) known questioned costs greater than \$10,000 for a type of compliance requirement for a major program; (4) known question costs greater than \$10,000 for a Federal program which is not audited as a major program; (5) circumstances causing the auditor's report on compliance for major programs to be other than an unqualified opinion, unless otherwise reported; (6) known fraud affecting a federal award, unless otherwise reported in a federal award finding; (7) and instances where results of audit follow-up procedures disclosed that the summary schedule of prior audit findings prepared by the auditee materially misrepresents the status of any prior audit finding. (A-133 .505(d)(vi))	YES _____ NO _____ N/A _____ Comments: Page Ref:
(7) Identification of the auditee's major programs? (A-133 .505(d)(vii))	YES _____ NO _____ N/A _____ Comments: Page Ref:
(8) The dollar threshold used to distinguish between type A and B programs? (A-133 .505(d)(viii))	YES _____ NO _____ N/A _____ Comments: Page Ref:
(9) A statement indicating whether the auditee qualified as a low-risk auditee? (A-133 .505(d)(ix))	YES _____ NO _____ N/A _____ Comments: Page Ref:
B. Section 2.2.2.10(I)(3)(a) NMAC states that "depending on what type of finding the auditor has determined the finding to be, the finding reference number should be followed by one of the following descriptions: material weakness; significant deficiency; or other." Does each finding have this required description?	YES _____ NO _____ N/A _____ Comments: Page Ref:

C. If the audit firm entered into any professional services contract with the agency, or if the scope of work on any engagement the agency entered into with any IPA, related to fraud, did the agency obtain the prior written approval of the State Auditor, before accepting the services of the proposed engagement? (Sections 2.2.2.8(H)(1) and (2) NMAC) If the required prior written approval was not obtained, did the auditor write a related finding as required by Section 2.2.2.10(I)(5) NMAC?	YES____ NO____ N/A____ Comments: Page Ref:
D. Are the findings presented in sufficient detail and do they include the following information: Criteria, Condition, Cause, Effect, Recommendation, and Agency Response? (A-133 .510(b); GAGAS 4.14 to 4.18)	YES____ NO____ N/A____ Comments: Page Ref:
E. Is there a reference number for each finding? For all modified or repeated prior year audit findings, was the original finding number used to preserve the audit trail? ([A-133 .510 (c); and Section 2.2.2.10(I)(3)(a) NMAC)	YES____ NO____ N/A____ Comments: Page Ref:
F. For all federal award findings referenced in the A-133 report, is the following information included in the finding: specific identification of the federal programs by the Catalog of Federal Domestic Assistance (CDFA) title and number, federal award number and year, name of federal agency, and name of applicable pass-through entity? If information such as the CFDA title and number or federal award number was unavailable, did the auditor provide the best information available to describe the federal award? (A-133 .510(b))	YES____ NO____ N/A____ Comments: Page Ref:
G. Are the facts and amounts supporting the deficiency clearly identified in the <u>condition</u> paragraph? Is information included that provides a proper perspective for judging the prevalence and consequences of the audit findings, such as whether the findings represent an isolated instance or a systemic problem? Where appropriate, are instances identified: related to the universe; related to the number of cases examined; and quantified in terms of dollar value? (A-133 .510(b)(3) and (5))	YES____ NO____ N/A____ Comments: Page Ref:
H. If applicable, is the amount of questioned costs reported, including how it was computed? (A-133 .510(b)(4))	YES____ NO____ N/A____ Comments: Page Ref:
I. Is the <u>criterion</u> or specific requirement, upon which the audit finding is based, including the statutory, regulatory, or other citation reported in the <u>criteria</u> paragraph? (GAGAS 5.15, A-133 .510(b)(2))	YES____ NO____ N/A____ Comments: Page Ref:
J. Does the <u>effect</u> (or potential effect) explain the impact or potential impact of the difference between the situation that exists (condition) and the required or desired state (criteria)? Does it explain the outcomes or consequences of the condition? (GAGAS 4.18)	YES____ NO____ N/A____ Comments: Page Ref:
K. Does the <u>cause</u> explain the reason for difference between the situation described in the “condition” and the required or desired state described in the “criteria”? Common factors include poorly designed policies, procedures, or criteria; inconsistent, incomplete, or incorrect implementation; or factors beyond the control of program management. A properly determined cause will facilitate an appropriate recommendation. (GAGAS 4.17)	YES____ NO____ N/A____ Comments: Page Ref:
L. Are recommendations included to prevent future occurrences of the deficiencies identified in the condition and cause paragraphs? (A-133 .510(b)(7); GAGAS 4.17)	YES____ NO____ N/A____ Comments: Page Ref:
M. Are views of responsible officials and management’s planned corrective actions included in the agency response paragraph? (A-133 .510(b)(8); GAGAS 5.32; and 2.2.2.8(L)(7) NMAC)	YES____ NO____ N/A____ Comments: Page Ref:
N. If management’s response or planned corrective actions did not adequately address the auditors’ recommendations, did the auditor state his/her reasons for disagreeing with the management response or planned corrective actions in an “Auditor’s Rebuttal” as required by GAGAS 5.37?	YES____ NO____ N/A____ Comments: Page Ref:

<p>O. If the data collection form and the reporting package were not submitted to the federal clearing house within the earlier of 30 days after receipt of the auditor's reports, or 9 months after the fiscal year end, was a compliance finding reported in the A-133 single audit report? (OMB Memorandum dated March, 22, 2010, Updated Guidance on the American Recovery and Reinvestment Act, Filing the Reporting Package)</p>	<p>YES _____ NO _____ N/A _____ Comments: Page Ref:</p>
<p>P. Were the findings separated into two sections, (1) for the financial statement findings required by GAGAS (significant deficiencies in internal control over financial reporting, all instances of fraud and illegal acts except those involving federal awards that are subject to A-133 reporting and not material to financial statements amounts; material violations of provision of contracts and grant agreements, and material abuse) and (2) for the Federal award findings and questioned costs required by 510(a) of Circular A-133 described above in item (6) on page 27 of this review guide. (A-133 .505 (d) (2) and (3) and AAG-SLA Example 13-6, AAG-SLA 4.29, and 13.37)</p>	<p>YES _____ NO _____ N/A _____ Comments: Page Ref:</p>
<p>Q. Are audit findings that relate to both (1) the financial statements and (2) the federal awards reported in both sections, with the reporting in one section of the schedule in summary form with a reference to the more detailed reporting in the other section of the schedule? (A-133 .505 (d) (3)(ii) and AAG-SLA 13.56 Example 13-6 Section III)</p>	<p>YES _____ NO _____ N/A _____ Comments: Page Ref:</p>
<p>R. Is the status of all prior year findings (if applicable) included in "a summary schedule of prior audit findings" as required by Section 2.2.2.10(I)(2) NMAC and AAG-SLA 13.43? Are all the findings from the prior year audit report included as resolved, modified and repeated, or repeated? (Section 2.2.2.10(I)(2) NMAC, AAG-SLA 13.43 and A-133 .315(b))</p>	<p>YES _____ NO _____ N/A _____ Comments: Page Ref:</p>
<p>S. Were indications of fraudulent or illegal acts of a criminal nature or other sensitive matters affecting federal awards or other funds noted during the audit? If so, did the auditor or the agency report these matters in a letter to the Office of the State Auditor as required by Section 2.2.2.10(K)(2) NMAC?</p>	<p>YES _____ NO _____ N/A _____ Comments: Page Ref:</p>
<p>T. If the IPA prepared the financial statements in conformance with Subsection H of 2.2.2.8 NMAC, for management's review and approval, including documenting the safeguards as required by GAGAS 3.30, is the fact that the auditor prepared the financial statements disclosed in the concluding paragraphs of the audit report, after the schedule of findings and questioned costs? Did the auditor carefully determine whether a related financial statement finding is required? For FY10 and later audits – The SAS 115 Exhibit B provides examples of circumstances that may be deficiencies, significant deficiencies, or material weaknesses. For FY09 and earlier audits (unless SAS 115 was early implemented in FY09) - The SAS 112 Appendix lists examples of circumstances that may be a control deficiency, significant deficiency, or material weakness. (Section 2.2.2.8.J.(4) NMAC)</p>	<p>YES _____ NO _____ N/A _____ Comments: Page Ref:</p>
<p>10 Exit Conference</p>	
<p>A. Are the date of the exit conference and the names and titles of those in attendance at the exit conference listed on the last page of the audit report? (Section 2.2.2.10(J)(1) NMAC)</p>	<p>YES _____ NO _____ N/A _____ Comments: Page Ref:</p>
<p>B. If there is a component unit, was a representative of the component unit present at an exit conference? If a quorum of a public body subject to the Open Meetings Act was present at the exit conference, was it held in a closed meeting to preserve the confidentiality of the information? If so, the disclosure should state that it was held in a closed session. If not, is there a related finding for noncompliance with the Open Meetings Act? (Sections 2.2.2.10(J)(1-3) NMAC)</p>	<p>YES _____ NO _____ N/A _____ Comments: Page Ref:</p>
<p>11 Management Representation Letter</p>	

A.If there are no passed audit adjustments, does the representation letter omit the standard representation “We believe the effects of the uncorrected financial statement misstatements summarized in the attached schedule are immaterial?”	YES____ NO____ N/A____ Comments:
B.If applicable, does the management representation letter contain the required representations regarding the (1) preparation of adjusting journal entries to convert the cash basis to the accrual basis of accounting; and (2) preparation of the trial balances and financial statements? (GAGAS 3.18 (a) and Q 46 of <i>Government Auditing Standards Answers to Independence Standards Questions, Q & A Guide.</i>)	YES____ NO____ N/A____ Comments:
C. For Single Audits Only - Does the management representation letter include all the management representations required by SAS 117 ¶ 23? The required representations are also included in the PPC example, Item 34, “With respect to federal award programs.”	YES____ NO____ N/A____ Comments:
D. Dating of the Management Representation Letter – Is the management representation letter dated the same day as the Independent Auditor’s Report? (SAS AU 339.23)	YES____ NO____ N/A____ Comments:

Note: this review guide should only be completed and signed by the Audit Manager or the audit firm employee in charge of the firm’s quality control system.

I hereby certify that the financial statements were presented in accordance with applicable auditing, accounting and financial reporting standards, OMB Circular A-133, and 2.2.2 NMAC. I also certify that all of the questions noted above were answered correctly, page numbers were properly referenced for all “yes” answers, and all no answers were fully explained or corrected:

Print Name

Print Title

Signature

Date