

NEW MEXICO OFFICE OF THE STATE AUDITOR  
 REPORT REVIEW GUIDE FOR USE BY IPAs  
 AUDITS FOR THE FISCAL YEAR ENDING **JUNE 30, 2022**

**This review guide should be used for all agencies subject to the Audit Act that require an annual financial and compliance audit.**

AGENCY NAME:			AGENCY NUMBER/FISCAL YEAR:		
NAME OF AUDITING FIRM:			NAME OF AUDIT MANAGER:		
DATE REPORT SUBMITTED TO STATE AUDITOR:			Was the audit report submitted by the due date? <p style="text-align: center;">Yes <input type="checkbox"/> No <input type="checkbox"/></p> If not, the compliance finding is reported on p. _____. - RECs, CES' & Independent Housing Authorities due Sept. 30 - Hospitals and Special Hospital Districts due Oct. 15 - Higher Education, state agencies not specifically named elsewhere, district courts, district attorneys, the New Mexico Finance Authority, the New Mexico Lottery Authority, and other agencies with June 30 fiscal year-ends that are reported as component units in the state ACFR due Nov. 1 - Schools Districts, TRD, CYFD, DOH, DOT, HSD, GSD, ECECD, SLO, NMCD, and the state of New Mexico component appropriation funds (state general fund): November 15; the PED, the state investment council, and the three post-employment benefit agencies (PERA, ERB, and the retiree health care authority): the Wednesday before Thanksgiving day; - Counties, Los Alamos Incorporated County, workforce investment boards, councils of governments, and the New Mexico Mortgage Finance Authority due Dec. 1 - Local Public Bodies including municipalities due Dec. 15 - Other fiscal year end not 6/30 due 5 months after the end of fiscal year - Component unit separate report by different IPA from primary government (PG) due 15 days before PG due date, unless some other applicable due date requires the report to be submitted earlier - New Mexico Statewide ACFR due Dec. 31 - Any agency that requires its report to be released by December 31st for any reason (bonding, GFOA, etc.): the earlier of its agency due date or December 1;		
OPINION(S) RENDERED ON FINANCIAL STATEMENTS:				DATE OF OPINION:	
Please list the number of findings for each category below, write N/A if there are no findings related to the category listed.					
TOTAL NUMBER OF FINDINGS:	Material Weaknesses:	Significant deficiencies:	Material non-compliance:	Other non-compliance:	Findings that do not rise to the level of a significant deficiencies:
Is this report a ACFR that the agency plans to submit to GFOA?				Yes <input type="checkbox"/> No <input type="checkbox"/>	
Please describe any special circumstances that the IPA is aware of relating to this report (ex. deadline for submission of the report to external parties, etc.):					
Were representatives of the agencies governing authority and top management, which may include representatives of any component units, if applicable, present at the exit conference as required by 2.2.2.10(M)(1) 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, 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(B)(1) and 2.2.2.9(B)(2) NMAC, the report will not be accepted by the Office of the State Auditor if the review guide is not accurately completed or incomplete, or if the report is unfinished or excessively deficient.** This review guide does not contain every auditing, accounting and financial reporting standard or requirement applicable to a financial audit. 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.

**Key to Abbreviations:**

2.2.2 NMAC	<i>Requirements for Contracting and Conducting Audits of Agencies (Audit Rule 2022)</i>
ACFR	Annual Comprehensive Financial Report
AAG GAS	<i>AICPA Audit and Accounting Guide - Government Auditing Standards and Single Audits (April 1, 2021 version)</i>
AAG SLV	<i>AICPA Audit and Accounting Guide – State and Local Governments (April 1, 2021 version)</i>
AU-C	<i>U. S. Auditing Standards – AICPA (Clarified)</i>
GAGAS	<i>Government Auditing Standards 2018 Revision Technical Update April 2021 Revision (Yellow Book)</i>
GASB	<i>Governmental Accounting Standards Board</i>
GASB Cod.	<i>GASB Codification</i>
GAQC	Government Audit Quality Center of the AICPA
IPA	Independent Public Accountant
NMAC	<i>New Mexico Administrative Code</i>
Office	Office of the New Mexico State Auditor
RSI	Required Supplementary Information
SAS	AICPA Statement on Auditing Standards
SI	Supplementary Information
Uniform Guidance	<i>Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</i>

<b>1. Required Documents, Important Communications, and Items of Note</b>	
Note that the auditor should submit an electronic copy of the report in OSA-Connect to the Office with the following items included for review: (1) the signed management representation letter; and (2) a completed report review guide. If these items are not submitted together, the report will not be accepted or considered received by the Office. (2.2.2.9(A)(3) NMAC)	Y/N:
Please note that after the Office reviews the final version of the audit report, the Office will authorize the audit firm to submit the following electronic files in OSA-Connect within five business days: (1) the electronic version of the final report labeled “final” in searchable PDF format pursuant to 2.2.2.9(B)(3) NMAC (2) an electronic searchable version of the audit report labeled “final”, in PDF format, and an electronic Excel version of the summary of findings report and any other required electronic schedule (electronic schedules may not apply to engagements pursuant to 2.2.2.15 or 2.2.2.16 NMAC) if applicable, and an electronic excel version of the schedule of asset management costs for investing agencies, if applicable (all available at <a href="http://www.saonm.org">www.saonm.org</a> ); and (3) the electronic version of the schedule of assets management costs for investing agencies, if applicable (all available at <a href="https://www.saonm.org">https://www.saonm.org</a> ). (4) Written notification of all changes made and relevant page numbers, including those changes made in response to OSA comments.	Y/N:
The agency is responsible for submitting its unsigned audit contract generated by OSA-Connect to the OSA by the due date indicated at 2.2.2.8(F)(8) NMAC. If the unsigned audit contract is not submitted to the state auditor by the due dates indicated in 2.2.2.8(F)(8) NMAC, the IPA may, according to professional judgment, include a finding of non-compliance with Subsection F of 2.2.2.8 NMAC in the audit report. Was a finding included?	Y/N: Page Ref: Comments:
Do the titles and page numbers in the Table of Contents agree with the actual contents in the report? For example, if the Table of Contents indicates that the report includes a Single Audit, is there a Single Audit?	Y/N: Page Ref: Comments:
Does the audit report include an official roster including all members of the governing body and top management? (2.2.2.10(T)(4) NMAC)	Y/N/NA: Page Ref: Comments:
Are the following independent auditors’ reports all included under one report cover as required by 2.2.2.10(T)(4) NMAC: (1) the Independent Auditor’s Report including: the AU-C 725 report on supplemental information (2) the 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; (3) if applicable, the Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance; and (4) if applicable, the AU-C 725 opinion on the Schedule of Expenditures of Federal Awards and the HUD Financial Data Schedule?	Y/N/NA: Page Ref: Comments:
Did the IPA read the report in its entirety, editing for typos such as spelling, grammar, etc. Did the IPA ensure that the name of the agency is correct on all the auditor’s reports and all pages?	Y/N/NA: Page Ref: Comments
If the Compensation section of the Audit Contract includes a fee for Federal single audit, does the report contain a single audit?	Y/N/NA: Page Ref: Comments

<p>If the original contract includes a fee for a single audit but the agency and the auditor subsequently determined that a single audit was not necessary, the auditor may not bill the agency for the single audit portion of the contract as that service was not performed. (2.2.2.8 (M)(5)(b) NMAC). A contract amendment is not required.</p>	
<p><b>2. New Standards Effective for Periods After December 31, 2021</b></p>	
<p>a) GASB Statement 87 – Leases  b) GASB Statement 92 – Omnibus 2020 (multiple effective dates)  c) GASB Statement 93 – Replacement of Interbank Offered Rates  d) GASB Statement 97 – Certain Component Unit Criteria and Section 457 Plans  e) GASB Statement 98 – The Annual Comprehensive Financial Report  f) Implementation Guide 2019-3 – Leases</p> <p><u>AICPA Standards Impacting Agency Audits:</u></p> <p>a) SAS 134 Implementation Date December 15, 2021, as amended by SAS 141:  (1) AU-C 570 The Auditor’s Consideration of an Entity’s Ability to Continue as a going Concern  (2) AU-C 700 Forming an Opinion and Reporting on Financial Statements  (3) AU-C 701 Communicating Key Audit Matters in the Independent Auditor’s Report  (4) AU-C 705 Modifications to the Opinion in the Independent Auditor’s Report  (5) AU-C 706 Emphasis-of-Matter Paragraphs and Other-Matter Paragraphs in the Independent Auditor’s Report  b) SAS 135- Omnibus Statement of Auditing Standards  c) SAS 137 -Implementation Date December 15, 2021, as amended by SAS 141  (1) AU-C 720 The Auditor’s Responsibilities Relating to Other Information in Annual Reports  d) SAS 138 – Amendments to the Concept of Materiality  e) SAS 140 Implementation Date December 15, 2021, as amended by SAS 141  (1) AU-C 725 Supplementary Information in Relation to the Financial Statements as a Whole  (2) AU-C 730 Required Supplementary Information</p>	
<p><u>Effective for fiscal year June 30, 2023, are:</u></p> <p>a) GASB Statement 91 – Conduit Debt  b) GASB Statement 94 – Public-Private Partnerships  c) GASB Statement 96–Subscription-based Information Technology Arrangements  d) GASB Statement 99 – Omnibus 2022  e) IG 2020-1 – Update (4.6-4.17 and 4.19-4.21)</p>	
<p><b>2. Independent Auditor’s Report:</b></p>	
<p>(1) Elements of the Independent Auditor’s Report</p>	
<p>(2) Does the report include the following basic elements pursuant to AU-C 700.22-43, AU-C 705? See also the examples provided in AAG SLV, Chapter 16, Appendix A.</p>	
<p>(a) <i>AU-C 700.22</i> Does the title include the word <i>independent</i>?</p>	<p>Y/N/NA:  Page Ref:  Comments:</p>

(b) <i>AU-C 700.23</i> Is the report addressed to the State Auditor, the entity and governing body (if applicable)?	Y/N/NA: Page Ref: Comments:
(c) <i>AU-C 700.24</i> Does the first section of the auditor's report include the auditor's opinion and have the heading “ <b>Opinion</b> ”?	Y/N/NA: Page Ref: Comments:
(3) <i>AU-C 700.25</i> Does the “Opinion” section of the auditor's report do the following: (a) identify the entity whose financial statements have been audited; (b) state that the financial statements have been audited; (c) identify the title of each statement that the financial statements comprise; (d) Refer to the notes; and (e) specify the date or period covered by each financial statement that the financial statements comprise?	Y/N/NA: Page Ref: Comments:
(4) <i>AU-C 700.26</i> When expressing an <u>unmodified opinion</u> on financial statements, did the auditor's opinion state that, in the <b>auditor's opinion, the accompanying financial statements present fairly, in all material respects</b> , [...] in accordance with	Y/N/NA: Page Ref: Comments:
(5) <i>AU-C 700.27</i> The auditor's opinion should identify the applicable financial reporting framework and its origin. (Ref: par. .A34)	Y/N/NA: Page Ref: Comments:
<p>Example <b>Opinion</b> (AU-C 700.A81 Illustration 3):</p> <p>We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of [<b>the agency</b>], as of and for the year ended June 30, 20XX, and the related notes to the financial statements which collectively comprise [<b>the agency’s</b>] basic financial statements as listed in the table of contents.</p> <p>In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of [<b>the agency</b>] as of June 30, 20XX, in accordance with accounting principles generally accepted in the United States of America.</p>	
(6) <i>AU-C 700.28</i> Does the auditor's report include a section, directly following the “Opinion” section, with the heading “ <b>Basis for Opinion</b> ,” that does the following:	
a. States that the audit was conducted in accordance with generally accepted auditing standards and identifies the United States of America as the country of origin of those standards?	Y/N/NA: Page Ref: Comments:
b. Refers to the section of the auditor's report that describes the auditor's responsibilities under GAAS?	Y/N/NA: Page Ref: Comments:

<p>c. Includes a statement that the auditor is required to be independent of the entity and to meet the auditor's other ethical responsibilities, in accordance with the relevant ethical requirements relating to the audit?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>d. States whether the auditor believes that the audit evidence the auditor has obtained is sufficient and appropriate to provide a basis for the auditor's opinion?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p><b>Example Basis of Opinion</b> (AU-C 700.A81 Illustration 3):</p> <p>We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of [<b>the agency</b>] and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.</p>	
<p>(7) <i>AU-C 700.29</i> When applicable, did the auditor report in accordance with AU-C 570, The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern? (See AU-C 570,A65 Illustrations and SAS No. 132)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(8) <i>AU-C 700.30</i> When the auditor is engaged to communicate key audit matters, did the auditor do so in accordance with section AU-C 701?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(a) Are the KAM limited to matters communicated with those charged with governance, and those matters that required significant auditor attention in performing the audit? AU-C 701.08</p> <p>(i) <b>Note:</b> the KAM should not include new information not previously reported to those charged with governance.</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(b) Does the description of the KAM include:</p> <p>(i) A reference to the required note disclosure, if one is required? AU-C 701.12.a</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(ii) Why the matter was considered to be one of most significance in the audit and therefore determined to be a key audit matter? (Ref: par . A42 -.A44)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(iii) How the matter was addressed in the audit? (Ref: par .. A45-.A50)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(c) If the auditor determines, depending on the facts and circumstances of the entity and the audit, that there are no key audit matters to communicate or that the only key audit matters communicated are those matters addressed by paragraph .14, [<i>qualified opinion</i>] the auditor should include a statement to this effect in a separate section of the auditor's report under the heading "Key Audit Matters. AU-C 701.15 The statement might look something like this:</p>	<p>Y/N/NA: Page Ref: Comments:</p>

<p>(i) [Except for the matter described in the Basis for Qualified Opinion section or Going Concern section,] We have determined that there are no [other] key audit matters to communicate in our report. AU-C A.57</p>	
<p>(9) <i>AU-C 700.31</i> Does the auditor's report include a section with the heading “<b>Responsibilities of Management for the Financial Statements</b>” follow the Basis of Opinion paragraph? (AU-C 700 Illustration 3)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(10) .32 Does this section of the auditor's report describe management's responsibility for the following:</p> <p>(a) The preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(b) If applicable, the evaluation of whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern [for the time period set by the applicable financial reporting framework, as applicable]?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(11) <i>AU-C 700.33</i> Does management’s responsibility comply with AU-C 700.33?</p> <p>“The description about management's responsibility for the financial statements in the auditor's report <b>should not</b> reference a separate statement by management about such responsibilities, even if such a statement is included in a document containing the auditor's report.”</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>Example <b>Responsibilities of Management for the Financial Statements</b> section (AU-C 700.A81 Illustration 3):</p> <p>Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about [agency’s] ability to continue as a going concern for [insert the time period set by the applicable financial reporting framework].</p>	
<p>(12) <i>AU-C 700.34</i> Does the auditor's report include a section with the heading “<b>Auditor's Responsibilities for the Audit of the Financial Statements</b>”?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(13) <i>AU-C 700.35</i> Does the “Auditor's Responsibilities for the Audit of the Financial Statements” section of the auditor's report do the following?</p>	
<p>(a) State that the objectives of the auditor are to:</p> <p>(i) Obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and</p>	<p>Y/N/NA: Page Ref: Comments:</p>

(ii) issue an auditor's report that includes the auditor's opinion?	
(b) State that reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists?	Y/N/NA: Page Ref: Comments:
(c) State that the risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control?	Y/N/NA: Page Ref: Comments:
(d) State that misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements?	Y/N/NA: Page Ref: Comments:
(14) <i>AU-C 700.36</i> Does the “Auditor's Responsibilities for the Audit of the Financial Statements” section of the auditor's report further describe an audit by stating that, in performing an audit in accordance with GAAS, the auditor's responsibilities are to:	
(a) Exercise professional judgment and maintain professional skepticism throughout the audit?	Y/N/NA: Page Ref: Comments:
(b) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements?	Y/N/NA: Page Ref: Comments:
(c) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, no such opinion is expressed?  In circumstances in which the auditor also has a responsibility to express an opinion on the effectiveness of internal control in conjunction with the audit of the financial statements, the auditor should omit the following: “ <b>but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, no such opinion is expressed.</b> ”	Y/N/NA: Page Ref: Comments:
(d) Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements?	Y/N/NA: Page Ref: Comments:
(e) Conclude whether, in the auditor's judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time?	Y/N/NA: Page Ref: Comments:
(15) <i>AU-C 700.37</i> In the “Auditor's Responsibilities for the Audit of the Financial Statements” section of the auditor's report, did it also state that the auditor is required to communicate with those charged with governance regarding, among other matters, the planned scope and	Y/N/NA: Page Ref: Comments:



<p>timing of the audit, significant audit findings, and certain internal control—related matters that the auditor identified during the audit?</p>	
<p><b>Example Auditor's Responsibilities for the Audit of the Financial Statements</b> section (AU-C 700.A81 Illustration 3):</p> <p>Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.</p> <p>In performing an audit in accordance with GAAS, we:</p> <ul style="list-style-type: none"> <li>• Exercise professional judgment and maintain professional skepticism throughout the audit.</li> <li>• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.</li> <li>• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ABC Company's internal control. Accordingly, no such opinion is expressed. 6</li> <li>• Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.</li> <li>• Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ABC Company's ability to continue as a going concern for a reasonable period of time.</li> </ul> <p>We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control—related matters that we identified during the audit.</p>	
<p>(16) <i>AU-C 700.38</i> When applicable, did the auditor report in accordance with AU-C 720, <b>The Auditor's Responsibilities Relating to Other Information Included in Annual Reports</b>? [Paragraph added, effective for audits of financial statements for periods ending on or after December 15, 2021, by SAS No. 137.]</p>	<p>Y/N/NA: Page Ref: Comments:</p>

<p>(17) AU-C 720.11 (a to d) If the auditor found a material inconsistency in an annual (or other type of informative report) has it been included in the report under this heading. (a to d)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(18) AU-C 720 Illustration 1</p> <p>Example of a paragraph where the auditor has not identified a material misstatement:</p> <p>Management is responsible for the other information [<i>included in the annual report</i>]. The other information comprises the [<i>information included in the annual report</i>] but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.</p> <p>In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(19) AU-C 720 Illustration 2</p> <p>Example of a paragraph where the auditor has not identified a material misstatement:</p> <p>Management is responsible for the other information [<i>included in the annual report</i>]. The other information comprises the [<i>information included in the annual report</i>] but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.</p> <p>In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report. As described below, we have concluded that such an uncorrected material misstatement of the other information exists.</p> <p>[Description of material misstatement of the other information]</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(20) AU-C 700.39 If the auditor addresses other reporting responsibilities in the auditor's report on the financial statements that are in addition to the auditor's responsibility under GAAS, these other reporting responsibilities should be addressed in a separate section in the auditor's report with the heading "Report on Other Legal and Regulatory Requirements" or another heading that is appropriate to the content of the section. If applicable, is this section included.</p> <p>(See AU-C 700.A47 and .A48 for clarification. For example, this could be a compliance audit. For an example, see Illustration 3)</p>	<p>Y/N/NA: Page Ref: Comments:</p>

<p>(21) AU-C 700.40 If the auditor's report contains a separate section that addresses other reporting responsibilities, the requirements of paragraphs .22—.37 of this section, did the auditor include it under a section with the heading “Report on the Audit of the Financial Statements” or another heading that is appropriate to the content of the section?</p> <p>(a) Does the “Report on Other Legal and Regulatory Requirements” follow the “Report on the Audit of the Financial Statements” if applicable? (See AU-C 700.A49 for clarification. For an example, see Illustration 3</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(22) Did the auditor include a separate section in the auditor’s report with the heading “Required Supplementary Information” (RSI) (other appropriate heading) to explain the following circumstances as applicable? (AU-C 730.07)</p> <p>(a) The required supplementary information is included, and the auditor has applied the procedures in paragraph AU-C 730.05.</p> <p>(b) The required supplementary information is omitted.</p> <p>(c) Some required supplementary information is missing and some is presented in accordance with the prescribed guidelines.</p> <p>(d) The auditor has identified material departures from the prescribed guidelines.</p> <p>(e) If the auditor is unable to complete the procedures in paragraph AU-C 730.05.</p> <p>(f) The auditor has unresolved doubts about whether the required supplementary information is presented in accordance with prescribed guidelines.</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(23) If the entity has presented all or some of the required supplementary information, the required supplementary information section in the auditor's report on the financial statements referred to in paragraph AU-C 730.07 should include the following elements (AU-C 730.08):</p>	
<p>(a) Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and additional RSI (if applicable) on pages XX-XX, be presented to supplement the basic financial statements (AU-C 730.08(a));</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(b) Such information is the responsibility of management, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context (AU-C 730.08(b) and for an example see AU-C 730 Illustration 1</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(c) The auditor has applied certain limited procedures to the RSI in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to the auditor’s inquiries, the basic financial statements, and other knowledge the auditor obtained during the audit of the basic financial statements (AU-C 730.08(c)(i);</p>	<p>Y/N/NA: Page Ref: Comments:</p>

<p>(d) The auditor does not express an opinion or provide any assurance on the information because the limited procedures do not provide the auditor with sufficient evidence to express an opinion or provide any assurance (AU-C 730.08(c)(ii).</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(e) If the auditor is unable to complete the RSI procedures, or if some of the RSI is omitted, or if the RSI departs materially from the prescribed guidelines, or if the auditor has unresolved doubts about whether the RSI is measured or presented in accordance with the prescribed guidelines, were the applicable statements from AU-C 730.08(d) to (g) included?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(f) If all the RSI was omitted, did the “other-matter” paragraph include the statements required by AU-C 730.09(a) to (c)?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(24) If applicable, when the entity presents the supplementary information (SI) with the financial statements is it either</p> <p>(a) a separate section in the auditor's report on the financial statements with the heading “<b>Supplementary Information,</b>” or other appropriate heading?</p> <p>(b) (b) in a separate report on the supplementary information? AU-C 725.09</p> <p>The supplementary information section in the auditor’s report on the financial statements or separate report should include the following elements:</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(i) .09a the audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise [the agency]’s basic financial statements;</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(ii) .09b the SI [list schedules] is presented for purposes of additional analysis and is not a required part of the basic financial statements;</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(iii) .09c the SI [list schedules] is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements;</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(iv) .09d the SI has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America;</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(v) .09e if the auditor issues an unmodified opinion on the financial statements and the auditor has concluded that the SI is fairly stated, in all material respects, in relation to the financial statements as a whole, a statement that, in the auditor’s opinion, the SI [list schedules] is fairly stated, in all material respects, in relation to the basic financial statements as a whole;</p>	<p>Y/N/NA: Page Ref: Comments:</p>

<p>(vi) .09f and following if the auditor issues a qualified opinion on the financial statements, or an adverse or disclaimer of opinion on the financial statements, did the IPA include the applicable statements from either AU-C 725.09(f) or 725.11?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(25) Are all of the SI schedules required by 2.2.2.10(A)(2)(e) NMAC, including, 1) combining and individual fund financial statements for all non-major funds, 2) the schedule of pledged collateral, and as applicable, 5) the cash reconciliation for school districts, and any other SI schedules required by the Audit Rule included in the AU-C 725 opinion; and are the schedules properly identified in the AU-C 725 paragraph as noted in the table of contents?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(26) For Housing Authorities, is the Financial Data Schedule (FDS) included in the supplemental information section, and did the auditor include the FDS in the AU-C 725 opinion paragraph? (HUD UFRS II (C) Special Rules for Certain PHAs, 2.2.2.10(A)(2)(e) NMAC , and 2.2.2.12.(B)(5)(a)(iii) NMAC).</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(27) For a Single Audit (\$750,000 or more of federal money expended), is the Schedule of Expenditures of Federal Awards specifically mentioned in the AU-C 725 opinion paragraph? 2.2.2.10(A)(2)(e) NMAC, Uniform Guidance 200.515, and AAG GAS 7.06.</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(28) (k) The subheading “<b>Other Reporting Required by Government Auditing Standards</b>” should appear next in the report, pursuant to AU-C 700.39, .40, .A47 and .A48. See also AAG SLV Chapter 16, Appendix A, Example A-1. An example paragraph follows:</p> <p>In accordance with Government Auditing Standards, we have also issued our report dated XX/XX/XX on our consideration of [<b>the agency</b>]’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering [<b>the agency</b>]’s internal control over financial reporting and compliance.</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(29) Does the report include the manual or printed signature of the auditor’s firm? AU-C 700.41</p> <p>(30) Does the report include the name of the city and state where the auditor practices? AU-C 700.42</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(31) Dating the Audit Report – Has the auditor’s report been dated no earlier than the date on which the auditor has obtained sufficient appropriate audit evidence on which to base the auditor’s opinion on the financial statements, including evidence of the following:</p> <p>(a) All the statements and disclosures that the financial statements comprise have been prepared;</p> <p>(b) Management has asserted that it has taken responsibility for those financial statements.? (AU-C 700.43)</p>	<p>Y/N/NA: Page Ref: Comments:</p>

B. Yellow Book Requirement	
<p>(1) Unmodified GAGAS compliance statement – If the auditor (a) followed unconditional and applicable presumptively mandatory GAGAS requirements, or (2) followed unconditional requirements, and documented justification for any departures from applicable presumptively mandatory requirements and achieved the objectives of those requirements through other means.</p> <p>(a) 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-C 700.44; GAGAS 2.17 (a))</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(2) Modified GAGAS compliance statement – (1) If the auditor performed the audit in accordance with GAGAS except for specific applicable requirements that were not followed, or (2) because of significance of the departures(s) from the requirements, the auditor was unable to and did not perform the audit in accordance with GAGAS.</p> <p>(a) Did the auditor use the “modified GAGAS compliance statement” described at GAGAS 2.17(b)?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
C. Other Independent Auditor Report Requirements	
<p>(1) <b>AU-C Section 706 - Emphasis-of-Matter</b> paragraph: Does the auditor consider it necessary to draw users' attention to a matter appropriately presented or disclosed in the financial statements that, in the auditor's professional judgment, is of such importance that it is fundamental to users' understanding of the financial statements, the auditor should include an emphasis-of-matter paragraph in the auditor's report, provided that the following apply?</p> <p>(a) AU-C 706.08.a: The auditor was not required to modify the opinion in accordance with AU-C 705, Modifications to the Opinion in the Independent Auditor's Report, as a result of the matter?</p> <p>(b) AU-C 706.08.b: When AU-C 701 applies, the matter was not determined to be a key audit matter to be communicated in the auditor's report?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(2) AU-C 706.09 When the auditor includes an emphasis-of-matter paragraph in the auditor's report, the auditor should do the following:</p> <p>(a) Include the paragraph within a separate section of the auditor's report with an appropriate heading. When key audit matters are communicated in the auditor's report, the heading should include the term "Emphasis of Matter."</p> <p>(b) Include in the paragraph a clear reference to the matter being emphasized and to where relevant disclosures that fully describe the matter can be found in the financial statements. The paragraph should refer only to information presented or disclosed in the financial statements.</p> <p>(c) Indicate that the auditor's opinion is not modified with respect to the matter emphasized.</p>	<p>Y/N/NA: Page Ref: Comments:</p>

<p>(3) AU-C 706.10 If the auditor considers it necessary to communicate a matter other than those that are presented or disclosed in the financial statements that, in the auditor's professional judgment, is relevant to users' understanding of the audit, the auditor's responsibilities, or the auditor's report, the auditor should include an other-matter paragraph in the auditor's report, provided that, when section 701 applies, the matter has not been determined to be a key audit matter to be communicated in the auditor's report.</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(4) AU-C 706.11 When the auditor includes an other-matter paragraph in the auditor's report, the auditor should include the paragraph within a separate section with the heading "Other Matter" or other appropriate heading.</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(5) 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, 2.2.2.10(A)(2)(c) NMAC)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(6) If the report presents comparative financial statements did the auditor include the prior year's audit opinion in the current year Independent Auditors' Report as required by AU-C 700.A67?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p><b>1. Does the annual financial and compliance audit report include the following?</b></p>	
<p><b>A.</b> Does the Management's Discussion and Analysis (MD&amp;A) precede the basic financial statements as required supplementary information? (GASBS 34.8)? Are the following elements included in the MD&amp;A, if relevant? (GASBS 34.11 as amended by GASBS 37.4-.5)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(1) The brief discussion of the basic financial statements, including the relationships of the statements to each other, and the significant differences in the information they provide (GASBS 34.11(a))</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(2) The condensed financial information derived from the government-wide financial statements comparing the current year to the prior year (GASBS 34.11(b))</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(3) The analysis of the government's overall financial position and results of operations, including reasons for significant changes from the prior year (GASBS 34.11(c))</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(4) The analysis of balances and transactions of individual funds and the reasons for significant changes in fund balances or fund net position and whether fund resources are available for future use? (GASBS 34.11(d), as amended by GASBS 63.8)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(5) The analysis of significant variations between original and final budget amounts and between final budget amounts and actual budget results for the general fund (GASBS 34.11 (e))</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(6) A description of significant capital assets and long-term debt activity including commitments made for capital expenditures, changes in credit ratings, and debt limitations affecting the financing of planned facilities and services? (GASBS 34.11(f))</p>	<p>Y/N/NA: Page Ref: Comments:</p>

(7) If applicable, a discussion of the modified approach as described at GASBS 34.11(g) and as amended by GASBS 63.8	Y/N/NA: Page Ref: Comments:
(8) A description of currently known facts, decisions, or conditions that are expected to have a significant effect on net position or results of operations. GASBS 34.11(h)	Y/N/NA: Page Ref: Comments:
(9) If applicable, do comments in the MD&A distinguish between information pertaining to the primary government and that of its component units, and when appropriate, does the MD&A refer readers to the component unit's separately issued financial statements? (GASBS 34.10)	Y/N/NA: Page Ref: Comments:
<b>B. Government-wide Financial Statements (GASBS 34.12-.63) - Do the government-wide financial statements meet the following requirements?</b>	
(1) Do the Government-wide financial statements exclude information about fiduciary activities, including component units that are fiduciary in nature; distinguish between the primary government and its discretely presented component units; and distinguish between governmental activities and business-type activities of the primary government as required by GASB 34.12?	Y/N/NA: Page Ref: Comments:
(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  (c) discretely presented component units (GASBS 34.14-.15)	Y/N/NA: Page Ref: Comments:
(3) Do the Government-wide financial statements include a total column for the primary government? (GASB 34.14)	Y/N/NA: Page Ref: Comments:
(4) Are bond premiums and bond discounts amortized in the government-wide financial statements? (GASBS 34.87 and GASBS 34.146)	Y/N/NA: Page Ref: Comments:
<b>C. Statement of Net Position</b>	
(1) Are assets and liabilities presented in the order of their relative liquidity? (GASB 34.31)	Y/N/NA: Page Ref: Comments:
(2) Is the name of the financial statement " <b>Statement of Net Position</b> "? Is net position displayed in the following components:  (a) net investment in capital assets;  (b) restricted (distinguishing between major categories of restrictions); and  (c) unrestricted? (GASBS 63.8.)	Y/N/NA: Page Ref: Comments:
(3) Does the net investment in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets?  (a) If there are deferred outflows or resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt, are they also included in this component of net position?	Y/N/NA: Page Ref: Comments:



<p>(b) If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, is the portion of the debt or deferred inflows of resources that is attributable to the unspent amount included in same net position component as the unspent amount (restricted or unrestricted)? (GASBS 63.9)</p>	
<p>(4) Does the restricted component of net position consist of restricted assets reduced by liabilities and deferred inflows of resources related to those assets? (GASBS 63.10)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(5) Are interfund receivables and payables eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities? (GASBS 34.58)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(6) If permanent endowments or permanent fund principal amounts are included in restricted net position, are the expendable and nonexpendable components of restricted net position presented? (GASB 34.35 as amended by GASBS 61.12 and GASBS 63.8 and 10)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(7) Are all items previously required to be reported as assets or liabilities properly classified as outflows/inflows of resources? (GASBS 65)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(a) If the agency had a current refunding or an advance refunding resulting in defeasance of debt, or a change in the provisions of a lease resulting from a refunding by the lessor of tax-exempt debt (including an advance refunding), did the agency account for the transaction pursuant to GASBS 65.5 as amended by GASBS 87.3 and 65.7 as superseded by GASBS 87.3?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(b) Did the agency account for the lessee/lessor as required by GASBS 87?</p> <p>(i) Did the lessee recognize an asset if payments are made in advance or liability for rent due if payments are to be made subsequent to the reporting period? (GASBS 87.17)</p> <p>(ii) Did the lessee recognize short-term lease payments as outflows of resources (for example, expense) based on the payment provisions of the lease contract?</p> <p>(iii) The lessor should recognize a liability if payments are received in advance or an asset for rent due if payments are to be received subsequent to the reporting period? (GASBS 87.18)</p> <p>(iv) Did the lessor recognize short-term lease payments as inflows of resources (for example, revenue) based on the payment provisions of the lease contract?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(c) If the agency received resources or recorded a receivable associated with imposed non-exchange revenue transactions (property taxes or fines) before the period when</p> <p>(i) the property taxes were levied; or</p> <p>(ii) before the period when the resources were first permitted to be, or required to be used, did the agency report deferred inflows of resources pursuant to GASBS 65.9?</p>	<p>Y/N/NA: Page Ref: Comments:</p>

(d) If the agency received resources related to government-mandated or voluntary non-exchange transactions before the time requirements were met, but after all other eligibility requirements were met, did the agency report the resources as deferred inflow of resources pursuant to GASBS 65.10?	Y/N/NA: Page Ref: Comments:
(e) If the agency had sales of future revenues, did the agency account for the related transactions pursuant to GASBS 65.12 to 65.13?	Y/N/NA: Page Ref: Comments:
(f) Are prepaid insurance costs related to the issuance of debt reported as an asset and recognized as an expense in a systematic and rational manner over the duration of the related debt? Were other debt issuance costs recognized as an expense in the period incurred? (GASBS 65.15)	Y/N/NA: Page Ref: Comments:
(g) GASBS 87 If the agency had any initial direct costs of leases (Any initial direct costs that would be considered debt issuance costs under paragraph 12 of Statement No. 7, Advance Refundings Resulting in Defeasance of Debt, should be recognized as outflows of resources (for example, expense) in the period in which they are incurred.) or sale-leaseback transactions, did the agency change to comply and account for those transactions pursuant to GASBS 65.16 – 65.18 which are superseded by GASBS 87.3.	Y/N/NA: Page Ref: Comments:
(h) If the agency had acquisition costs related to insurance activities did the agency account for those costs pursuant to GASBS 65.19 to 65.20?	Y/N/NA: Page Ref: Comments:
(i) If the agency is a lender that received loan origination points, did the agency report the origination points as a deferred inflow of resources as required by GASBS 65.22? Did the lender report direct loan origination costs pursuant to GASBS 65.22?	Y/N/NA: Page Ref: Comments:
(j) If the agency had commitment fees (fees charged for entering into an agreement that obligates the government to make or acquire a loan or to satisfy an obligation of the other party under a specified condition), did the agency report the commitment fees pursuant to GASBS 65.23?	Y/N/NA: Page Ref: Comments:
(k) If the agency purchased a loan or a group of loans did the agency:	
(i) Record the initial investment in the purchased loan or group of loans at the purchase price, pursuant to GASBS 66.5? and	Y/N/NA: Page Ref: Comments:
(ii) Recognize as an expense or revenue any fees paid or any fees received in the period that the loan(s) were purchased pursuant to GASBS 65.24?	Y/N/NA: Page Ref: Comments:
(l) If the agency participates in mortgage banking activities: (1) did the agency account for loan origination fees and costs pursuant to GASBS 65.26; and (2) did the agency account for fees relating to loans held for sale pursuant to GASBS 65.27?	Y/N/NA: Page Ref: Comments:
(m) If the agency has business-type activities or enterprise funds that meet all of the criteria below, did the agency account for its regulated operations according to GASBS 65.29? (i) Rates are established by or are subject to approval by an independent third-party regulator or by its own governing board empowered by statute or contract to establish rates. (ii) The regulated rates are designed to recover the specific regulated business-type activity's costs of providing the regulated services.	Y/N/NA: Page Ref: Comments:

(iii) It is reasonable to assume that the rates are set at levels that will recover the regulated business-type activity's costs and can be charged to and collected from customers. (GASBS 62.476)	
(8) In determining which elements meet the criteria for a major fund, did the agency include deferred outflows of resources with assets and deferred inflows of resources with liabilities? (GASBS 65.32-.33)	Y/N/NA: Page Ref: Comments:
(9) Has the term "deferred" been limited to items reported as deferred outflows of resources or deferred inflows of resources? (GASBS 65.31)	Y/N/NA: Page Ref: Comments:
(10) Is the Statement of Net Position in balance? (a) Is the sum of assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, equal to net position? (b) If a balance sheet format is presented do assets, plus deferred outflows of resources, equal liabilities, plus deferred inflows of resources, plus net position? (GASBS 63.8)	Y/N/NA: Page Ref: Comments:
<b>D. Statement of Activities</b>	
(1) Is a net (expense) revenue format used to report each of the government's functions? (2) Does the Statement of Activities report Expenses, Program Revenues, Net Program [Expense] Revenues, General Revenues, Special Items, Transfers, Changes in Net Position, Net Position-Beginning, and Net Position-Ending? (3) 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 34.38-.62 and Example B-1 through B-3 as amended by GASBS 63)	Y/N/NA: Page Ref: Comments:
(4) Does the Statement of Activities separately report the following three categories of program revenues: (a) charges for services; (b) program-specific operating grants and contributions; and (c) program-specific capital grants and contributions? (GASBS 34.48 as amended by GASBS 37.12)	Y/N/NA: Page Ref: Comments:
(5) Are general revenues reported after total net expense of the government's functions? (a) Are all taxes reported by the specific type of tax such as sales, property, franchise and income taxes? (b) Are other nontax revenues like interest, grants and contributions) that do not qualify as program revenues included as general revenues? (GASBS 34.52)	Y/N/NA: Page Ref: Comments:
(6) 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) (a) In the Statement of Activities are all business-type activities expenses reported by different identifiable activity as required by GASBS 37.10(b)?	Y/N/NA: Page Ref: Comments:
(7) Is depreciation expense reported as a direct expense by function in the Statement of Activities unless the asset is essentially used by all functions? (GASBS 34.44)?	Y/N/NA: Page Ref: Comments:

<p>(8) If the agency sold mortgage loans with the servicing retained, did the agency recognize transferor servicing fees related to the mortgage loans that were sold, in accordance with the updated requirements of GASBS 66.6 and 62.460 (as superseded)?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(9) Is a prior period adjustment (correction of an error in previously issued financial statements) reflected as an adjustment to the opening balance of net position pursuant to GASBS 62.61? (a) Were the following line items included on the face of the financial statement: Beginning net position, Restatement, Beginning net position as restated, and Ending net position?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(10) Does Total Net Position reported on the Statement of Net Position agree to Ending Net Position reported on the Statement of Activities for the governmental activities and the business-type activities?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(11) Do the beginning-of-the period net position (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: (a) there was a prior period adjustment for the correction of an error; (b) the beginning net position was adjusted for the cumulative effect of a change to a new accounting principle; or (c) there was a change in the reporting entity [like a different number of component units]).</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p><b>E. Governmental Fund Financial Statements</b> (GASBS 34.64-.65, .78-.90 as amended by GASBS 54 and 63). See GASBS 34.138 as amended by GASBS 63.8 and GASBS 84.14 for a description of which financial statements pertain to reports using the Business Type Activity model (BTA):</p>	
<p>(1) Does the Balance Sheet-Governmental Funds contain the following sections: Assets, plus deferred outflows of resources (if applicable), equals Liabilities plus deferred inflows of resources (if applicable), plus fund balance? (GASBS 63.12) (a) Is fund balance classified as: Non-spendable, Restricted, Committed, Assigned, and Unassigned (as applicable)? (b) Do either the financial statements or the notes disclose the purpose for which amounts are non-spendable, restricted, committed, or assigned? (GASBS 34.83-.84 as amended by GASBS 63.12 and GASBS 54)</p>	<p>Y/N/NA: Page Ref: Comments:</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? (GASB Cod. Sec. C 60.111)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(3) Is there an accompanying reconciliation of Total Fund Balance from Balance Sheet – Governmental Funds to the Total Net Position on the Statement of Net Position, (Governmental Activities Column only)? Do all of the reconciling amounts agree with the financial statements and notes? (GASBS 34.77 &amp; .85 as amended by GASBS 63.8)</p>	<p>Y/N/NA: Page Ref: Comments:</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-</p>	<p>Y/N/NA: Page Ref: Comments:</p>

Governmental Funds presentation? (GASBS 34.86-.89, illustration C-2)	
(a) Are the revenues presented by major revenue source classifications as detailed in GASB Cod. Sec 1800.131 and NCGAS 1.110: taxes, licenses and permits, intergovernmental revenues, charges for services, fines and forfeits, and miscellaneous?	Y/N/NA: Page Ref: Comments:
(b) Are intergovernmental revenues from federal sources and state sources presented separately as required by 2.2.2.10(C) NMAC?	Y/N/NA: Page Ref: Comments:
(c) Are expenditures classified by character (current, capital outlay, debt service, and intergovernmental) as required by NCGAS 1.115) and at a minimum by function as required by GASBS 34.87? See GASBS 34 illustration C-2.	Y/N/NA: Page Ref: Comments:
(d) Are debt issuance costs like underwriter fees that were paid out of debt proceeds reported as expenditures? (i) Are attorney fees, rating agency fees or bond insurance paid from existing resources reported as expenditures when the liability is incurred? (GASBS 34.87)	Y/N/NA: Page Ref: Comments:
(e) Is the face amount of long-term debt), bond premium or discount, payments to bond escrow agents for refundings, transfers, and sale of capital assets (unless the sale qualifies as a special item) reported as "Other Financing Sources and Uses" as required by GASBS 34.88-.89 and GASBS 37.16? (i) Lessee - did the lessee recognize the lease liability and an intangible right-to-use lease asset? (ii) Lessor – did the lessor recognize a lease receivable and deferred inflow of resources?	Y/N/NA: Page Ref: Comments:
(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, was the fund balance-beginning "adjusted" per GASBS 62.61 or 62.76 as amended by GASBS 63.8? In such an adjustment, the OSA prefers to see the following presented: Fund balance-beginning, restatement, fund balance-beginning as restated, Fund balance-ending.	Y/N/NA: Page Ref: Comments:
(5) Is there a Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances- Governmental Funds (net change in fund balances for total governmental funds) to the Statement of Activities (change in net position for governmental activities) at the bottom of the fund financial statements or in an accompanying schedule immediately following the statement? (a) Were all of the reconciling amounts fully explained in the reconciliation or the notes to the financial statements? (b) Do all of the reconciling amounts agree with the financial statements and notes? (GASBS 34.77 and 34.90 as amended by GASBS 63.8)	Y/N/NA: Page Ref: Comments:
<b>F. Proprietary Fund Financial Statements (GASBS 34.66-.68, .91-.105 as amended by GASBS 62 and 63) See GASBS 34.138 for a description of which financial statements pertain to reports using the Business Type Activity model.</b>	
(1) Is there a Statement of Net Position – Proprietary Funds (or Balance Sheet – Proprietary Funds) that reflects the following descriptions: current and noncurrent assets; current and noncurrent liabilities; net position; net investment in capital assets; restricted (indicate for	Y/N/NA: Page Ref: Comments:

what), unrestricted; and total net position? (GASBS 34.91a, 34.98 and illustration D-1 as amended by GASBS 63.8)	
(2) Are assets with use restrictions (defined in GASBS 34.34 as amended by GASBS 46) reported as restricted assets? (GASBS 34.99 and 63.10)	Y/N/NA: Page Ref: Comments:
(3) Is there a Statement of Revenues, Expenses, and Changes in Fund Net Position – 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 transfers, “change in net position,” net position-beginning, and total net position-ending? (GASBS 34.91b, 34.100, and illustration D-3 as amended by GASBS 63) (a) Is any prior period adjustment (correction of an error in previously issued financial statements) reflected as an adjustment to the opening balance of net position pursuant to GASBS 62.61? (b) Were the following line items included on the face of the financial statement: Net position-beginning, Restatement, Net position-beginning as restated, and Net position-ending?	Y/N/NA: Page Ref: Comments:
(4) 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)	Y/N/NA: Page Ref: Comments:
(5) Are proprietary fund revenues reported by major source and are revenues that are used as security for revenue bonds identified? Are revenues presented net: (1) with discounts and allowances parenthetically disclosed on the face of the statement or in the notes; or (2) with the discounts and allowances reported directly beneath the revenue amount? (GASBS 34.100 and the related footnote 41 as amended by GASBS 48 and 63)	Y/N/NA: Page Ref: Comments:
(6) If the agency has permanent endowments or permanent fund principal amounts, are the applicable amounts presented as two components of “restricted net position” expendable and nonexpendable? (GASBS 34.35 as amended by GASBS 61.12 and GASBS 63.8)	Y/N/NA: Page Ref: Comments:
(7) Net position and changes in net position in the proprietary fund financial statements for total enterprise funds usually equal the net position and changes in net position of business-type activities in the government-wide statement of activities. (a) 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 as amended by GASBS 63.8?	Y/N/NA: Page Ref: Comments:
<b>G. Statement of Cash Flows - See GASBS 34.91c for a description of which financial statements pertain to reports using the BTA model.</b>	
(1) Is the Direct Method used for the Proprietary Fund Statement of Cash Flows showing the applicable four categories of cash flows from: operating activities; noncapital financing activities; capital and related financing activities; and investing activities? (a) 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)	Y/N/NA: Page Ref: Comments:

(2) Is a reconciliation of “Operating income (loss)” to “Net cash provided by (used for) operating activities” 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 2450.130)	Y/N/NA: Page Ref: Comments:
(3) 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 Statement of Net Position?	Y/N/NA: Page Ref: Comments:
(4) Does the statement separately report the classes of operating cash receipts and payments per GASB Cod. Sec. 2450.129?	Y/N/NA: Page Ref: Comments:
(5) 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. 2450.131)	Y/N/NA: Page Ref: Comments:
<b>H. Governmental &amp; Proprietary fund financial statements - Focus on Major Funds (GASBS 34.75-.76)</b>	
(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? (GASBS 34.75)	Y/N/NA: Page Ref: Comments:
(2) Is the main operating fund (general fund or its equivalent) reported as a major fund? (a) 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?	Y/N/NA: Page Ref: Comments:
(3) Are the combining and individual fund statements for the nonmajor funds presented as supplemental information after the notes? (2.2.2.10(A)(2)(e)(i) NMAC and GASBS 34 illustrations H-1 and H-2 as amended by GASBS 63)	Y/N/NA: Page Ref: Comments:
<b>I. Budgetary Comparison Statements – Are budgetary comparison statements for only the general fund and major special revenue funds presented before the notes as part of the basic financial statements?</b>	
(1) Are budgetary comparison statements for only the general fund and major special revenue funds presented before the notes as part of the basic financial statements? (a) Do they appear after the statement of changes in revenues, expenditures, and changes in fund balances – governmental funds? (2.2.2.10(A)(2)(b)(iii) and 2.2.2.10(Q)(3)(a) NMAC). (b) 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. (2.2.2.10(A)(2)(c) and 2.2.2.10(Q)(3)(b) NMAC, and GASBS 41)	Y/N/NA: Page Ref: Comments:
(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 2.2.2.10(Q)(3) NMAC)	Y/N/NA: Page Ref: Comments:
(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? (2.2.2.10(Q)(1) NMAC)	Y/N/NA: Page Ref: Comments:
(4) If actual expenditures exceeded budgeted expenditures at the legal level of budgetary control, is that fact reported in a finding and disclosed in the notes?	Y/N/NA: Page Ref: Comments:

(a) 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; 2.2.2.10(Q)(2) NMAC)	
(5) Are the differences between the budgetary basis and GAAP basis revenues and expenditures for each individual fund reconciled on the face of the budgetary comparison or in the notes to the financial statements? (GASBS 34.131; 2.2.2.10(Q)(2) NMAC)	Y/N/NA: Page Ref: Comments:
(6) For colleges and universities only - were the required budgetary comparisons (original budget; revised budget; actual budget, and a variance column) presented after the notes in the format approved by the NM Higher Education Department as noted in 2.2.2.12(E)(2) NMAC?	Y/N/NA: Page Ref: Comments:
(7) For colleges and universities only: is a reconciliation of actual revenue and 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? (a) The reconciliation is required only at the “rolled up” level of Unrestricted and Restricted – All Operations and should include revenues and expenses. (2.2.2.12 (E)(2) NMAC)	Y/N/NA: Page Ref: Comments:
(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 15th and [2] audit adjustments? [2.2.2.12(E)(2) NMAC])?	Y/N/NA: Page Ref: Comments:
<b>J. Fiduciary Fund and Component Unit Financial Statements</b>	
(1) 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? (a) Did the auditor evaluate the agency’s relationship(s) with other parties to identify potential unreported fiduciary activities?	Y/N/NA: Page Ref: Comments:
(2) Is the Statement of Fiduciary Net Position used to report the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position of pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and custodial funds? GASBS 84.20	Y/N/NA: Page Ref: Comments:
(3) Are liabilities other than those to beneficiaries recognized in accordance with existing accounting standards using the economic resources measurement focus as required by GASBS 84.21 (except for entities where the government reports a pension or OPEB plan described in GASBS 84.22)?	Y/N/NA: Page Ref: Comments:
(4) If the government reports a pension plan or an OPEB plan in a pension (or other employee benefit) trust fund, did they report the plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position in accordance with Statement 67 or Statement 74, as applicable? GASBS 84.22	Y/N/NA: Page Ref: Comments:
(5) Is there a statement of changes in fiduciary net position that is used to report additions to and deductions from pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and custodial funds, as applicable? GASBS 84.23	Y/N/NA: Page Ref: Comments:



<p>(6) Except for entities that apply paragraph 24 (see below) or are required to apply paragraph 25 (see below), does the statement of changes in fiduciary net position disaggregate additions by source including, if applicable, separate display of:</p> <ul style="list-style-type: none"> <li>(a) Investment earnings</li> <li>(b) Investment costs (including investment management fees, custodial fees, and all other significant investment-related costs)</li> <li>(c) Net investment earnings (investment earnings minus investment costs)? GASBS 84.23</li> </ul>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(7) Did the government report a single aggregated total for additions and a single aggregated total for deductions of custodial funds in which resources, upon receipt, are normally expected to be held for three months or less? GASBS 84.24</p> <ul style="list-style-type: none"> <li>(a) An example of a custodial fund addition description is property taxes collected for other governments. An example of a custodial fund deduction description is property taxes distributed to other governments</li> </ul>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(8) GASBS 84.24, (cont.). If the government reported a single aggregated total for additions and a single aggregated total for deductions of custodial funds, do the descriptions of the aggregated totals of additions and deductions indicate the nature of the resource flows? GASBS 84.24</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(9) Is the combined information from the fiduciary component unit aggregated with the primary government's fiduciary funds based on the classifications provided in GASBS 84.15-18?</p> <ul style="list-style-type: none"> <li>(a) When reported in the fiduciary fund financial statements of a primary government, a fiduciary component unit should include the combined information of its own component units that are fiduciary component units. That combined information should be aggregated with the primary government's fiduciary funds based on the classifications provided in paragraphs 15–18. GASBS 84.26</li> </ul>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(10) Does the Statement of Changes in Fiduciary Net Position shown in the basic financial statements include information about the additions to, deductions from, and net increase (or decrease) for the year in net position for each applicable fiduciary fund type except for agency funds?</p> <ul style="list-style-type: none"> <li>(a) The Statement of Changes in Fiduciary Net Position should be presented for all fiduciary fund types, and appear after the Statement of Fiduciary Net Position and just before the notes. (GASBS 34 Paragraph 109 and example E-2, as amended by GASBS 63, and GASBS 84.23-25)</li> </ul>	<p>Y/N/NA: Page Ref: Comments:</p>
<b>K. Notes to the Financial Statements</b>	
<p>(1) Do the notes include a Summary of Significant Accounting Policies with disclosures for each of the twelve items listed below? (GASB Cod. Sec. 2300.106(a))</p>	
<ul style="list-style-type: none"> <li>(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?</li> </ul>	<p>Y/N/NA: Page Ref: Comments:</p>

(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), GASB Cod. 2600.126, and GASBS 90.9?	Y/N/NA: Page Ref: Comments:
(c) Has the government acquired a majority of the equity interest in a legally separate organization (for example, through acquisition of voting stock of a corporation or acquisition of interest in a partnership) as required by GASBS 90.5?	Y/N/NA: Page Ref: Comments:
(i) If so, is the acquisition reported as an investment (if it meets the definition of an investment) and not as a component unit as required by GASBS 90.5?	Y/N/NA: Page Ref: Comments:
(d) Is this a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund that holds a majority equity interest in a legally separate organization that meets the definition of an investment? GASBS 90.6	Y/N/NA: Page Ref: Comments:
(i) If so, is that majority equity interest measured in accordance with the requirements paragraph 64 of Statement 72? GASBS 90.6	Y/N/NA: Page Ref: Comments:
(e) Is the government accountable for the legally separate organization (i.e. it is not an investment) and reporting the legally separate organization as a component unit? GASBS 90.7	Y/N/NA: Page Ref: Comments:
(f) If the financial statements were prepared using the current financial resources measurement focus, is the asset representing the government's equity interest limited to amounts appropriately reported under the current financial resources measurement focus? GASBS 90.8	Y/N/NA: Page Ref: Comments:
(g) GASBS 90.9 (i) If a government acquires a 100 percent equity interest in a legally separate organization that is reported as a component unit in accordance with paragraphs 7 and 8, is the component unit measuring its assets, deferred outflows of resources, liabilities, and deferred inflows of resources in accordance with the provisions of paragraphs 29-42, 44, and 45 of Statement No. 69, <i>Government Combinations and Disposals of Government Operations</i> , as amended, at the date on which the government acquires the 100 percent equity interest? GASBS 90.9	Y/N/NA: Page Ref: Comments:
(ii) Do the measurement provisions include the net resources exchanged to complete the acquisition of the 100 percent equity interest plus the balances of any equity interest asset and deferred outflow of resources recognized prior to the completion of the acquisition in accordance with paragraph 8? GASBS 90.9	Y/N/NA: Page Ref: Comments:
(iii) Is the net position acquired equal to the net position of the component unit after measuring assets, deferred outflows of resources, liabilities, and deferred inflows of resources in accordance with the provisions of paragraphs 29-36 of Statement 69? GASBS 90.9	Y/N/NA: Page Ref: Comments:
(h) Is the primary government performing the duties of the governing board? If so, are they treated as the voting majority? GASBS 97.4	Y/N/NA: Page Ref: Comments:

(i) Is the financial burden criterion applicable? GASBS 97.5	Y/N/NA: Page Ref: Comments:
(j) Has GASBS 97 paragraphs 4 and 5 been implemented, and have all requirements of these paragraphs been considered?	Y/N/NA: Page Ref: Comments:
(k) Do the descriptions of activities accounted for in each column (major funds, internal service funds, and fiduciary fund types) consist of: (i) a description that is specific to the particular government rather than general descriptions that could describe any government as required by GASBS 38.6; (ii) disclose what kind of fund type each fund is (general, special revenue, capital projects, debt service, enterprise, internal service, custodial, private purpose trust fund, etc.); and (iii) the activities accounted for in each column? (GASB Cod. Sec. 2300.106(a)(3) and 1300.103)	Y/N/NA: Page Ref: Comments:
(l) 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)? (i) Does the description include deferred inflows of resources and deferred outflows of resources, if applicable? GASB Cod. Sec. 1600.103 - .104	Y/N/NA: Page Ref: Comments:
(m) 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 .138?	Y/N/NA: Page Ref: Comments:
(i) Is the period of availability disclosed? (GASBS 33.30 and GASB Cod. Sec. 2300.106(a)(5))	Y/N/NA: Page Ref: Comments:
(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)). Is the use of the term deferred to deferred outflows of resources or deferred inflows of resources? (GASBS 65.31)	Y/N/NA: Page Ref: Comments:
(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.	Y/N/NA: Page Ref: Comments:
(iv) Do the fund financial statements exclude from revenue the portion of these nonexchange transactions that are not available in accordance with GASBS 33.29 (as amended by GASBS 34.79) and GASBS 33.30? Was excluded revenue reclassified as “deferred inflow of resources?” pursuant to GASBS 65.30.	Y/N/NA: Page Ref: Comments:
(v) If the agency received a portion of another government’s derived tax revenues (income taxes, sales taxes) or imposed non-exchange revenues (property taxes, fines & penalties) did they follow the accounting guidance for government-	Y/N/NA: Page Ref: Comments:

mandated and voluntary nonexchange transactions per GASBS 36.13?	
(n) 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 2200.152?	Y/N/NA: Page Ref: Comments:
(o) 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))	Y/N/NA: Page Ref: Comments:
(p) 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?	Y/N/NA: Page Ref: Comments:
(i) Does the capital asset policy disclosure state that the capitalization threshold is \$5,000 per 12-6-10 NMSA 1978? (2.2.2.10(W)(1) NMAC)	Y/N/NA: Page Ref: Comments:
(ii) If the agency uses the infrastructure-modified approach is there a description of that approach? (GASB Cod. Sec. 2300.106(a)(8))	Y/N/NA: Page Ref: Comments:
(q) 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 2200.135-.140 and .142?	Y/N/NA: Page Ref: Comments:
(r) Is the policy for defining operating and nonoperating revenues of proprietary funds disclosed as required by GASB Cod. Sec. 2300.106(a)(10) and P80.115?	Y/N/NA: Page Ref: Comments:
(s) 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?	Y/N/NA: Page Ref: Comments:
(t) Is the agency's policy disclosed regarding whether to first apply restricted or unrestricted resources when there is an expense for purposes for which both restricted and unrestricted net position are available? GASB Cod. Sec. 2300.106(a)(12) and 1800.157?	Y/N/NA: Page Ref: Comments:
(u) Did the agency disclose the fund balance classification policies and procedures? GASB Cod. Sec. 2300.106(a)(13)	Y/N/NA: Page Ref: Comments:
(2) Do the notes include disclosures shown below for items (b) through (q) of GASB Cod. Sec. 2300.106 (that apply to this entity?)	Y/N/NA: Page Ref: Comments:
(a) Cash and Investment disclosures	
(i) Do the notes briefly describe the types of deposits and investments authorized by the New Mexico Constitution, New Mexico Statute charters, ordinance, resolution, grant or contract regulations, as applicable?	Y/N/NA: Page Ref: Comments:
(ii) Does the report include a list of individual deposit and investment accounts held by the agency that includes the name of depository, account name, type of deposit account (non-interest bearing checking, interest bearing checking, savings, money market, CDs, etc.) or type of investment account (SGFIP, LGIP, US treasury bills, etc.), account balance as of the balance sheet date, and the reconciled balance of the accounts as of the balance sheet date, as reported in the financial statements? (2.2.2.10(P)(3) NMAC and 12-6-5 NMSA 1978)	Y/N/NA: Page Ref: Comments:

<p>(iii) If the agency’s deposits and investments 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?</p> <p>a. If the agency is exposed to one of the above risks but has not formally adopted a deposit and/or investment policy to address risk, is that fact disclosed in the notes? GASBS 40.6-17 as amended by GASBS 53.73 and .76, 59.6, 63.8, (superseded by 73 115-116), 74.9, and 79.4.</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(iv) If the government has deposits or investments exposed to foreign currency risk, did the government make the disclosures required by GASBS 40.17?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(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 GASBS 40.5 included?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(b) Cash disclosures – Do the notes disclose the definition of custodial credit risk and the custodial credit risk of any deposit amount of each financial institution that was not covered by depository insurance as required by GASBS 40.8 and 2.2.2.10(P)(4)(c) NMAC, and as shown in GASBS 40 illustration 6?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(c) Investment Disclosures</p>	
<p>(i) Are investments disclosures organized by investment type as required by GASBS 40.4?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(ii) If the agency has investments in the State Treasurer’s Local Government Investment Pool, are the interest rate risk and the current credit rating disclosed?</p> <p>a. See NM Office of the State Treasurer’s annual financial statements for the necessary information. (GASBS 40.7 as amended by GASBS 53.73 (b))</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(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 as amended by GASBS 53.73 (a)(1)?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(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?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(v) Interest Rate Risk – Is interest rate information organized by investment type and amount using one of the following methods 1) segmented time distribution, 2) specific identification, 3) weighted average maturity, 4) duration, or 5) simulation model?</p>	<p>Y/N/NA: Page Ref: Comments:</p>

a. Or, if the government had deposits or investments that required an assumption in either (1) debt investment pools such as bond mutual funds or (2) external bond investment pools that are not 2a7-like pools, is the disclosure information required by GASBS 40.15 (as amended by GASBS 59.6) included in the notes?	
(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 as amended by GASBS 53.73(a)(6) and GASBS 40.12 as amended by GASBS 63.8, and 73.115-.116 ?	Y/N/NA: Page Ref: Comments:
(d) Are significant contingent liabilities disclosed in accordance with GASB Cod. Sec. 1500.125 and claims and judgments disclosed in accordance with NCGAS 4?	Y/N/NA: Page Ref: Comments:
(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 .116 and 2300.106(e).	Y/N/NA: Page Ref: Comments:
<b>(f) Budgetary disclosure required by 2.2.2.NMAC</b>	
(i) Do the notes disclose the legal level of budgetary control <u>and</u> the basis of accounting used to present the budgetary comparisons? a. For local governments the legal level of budgetary control is at the fund level. b. For school districts, the legal level of budgetary control is at the function level. c. For state agencies the legal level of budgetary control is at the appropriation program level (A-Code, P-Code, R-Code, and Z-Code). (2.2.2.10(Q)(2) and 2.2.2.12.A(11) NMAC)	Y/N/NA: Page Ref: Comments:
(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)	Y/N/NA: Page Ref: Comments:
(g) Regarding required disclosure of annual pension costs and net pension obligations, GASBS 67 & 68, see GASBS Cod. P20 (for employers that participate in pension plans that are defined benefit pensions administered through trusts) and P21 (for employers that participate in pension plans that are defined contribution pensions that are administered through trusts). Did the auditee follow the correct guidance and make the correct disclosures?	Y/N/NA: Page Ref: Comments:
(h) If the agency is a department of the State of New Mexico, did the agency include the pension note disclosure referring the reader to the statewide ACFR required by 2.2.2.10(Y)(2) NMAC?	Y/N/NA: Page Ref: Comments:
(i) For agencies that participate in PERA, does the ending Net Pension Liability reported in the agency's statement of net position tie to the 2021 Net Pension Liability reported in the "Schedule of Pension Amounts (In Summation) by Employers Participating in PERA" included in the PERA Schedule of Employer Allocations and Pension Amounts June 30, 2021?	Y/N/NA: Page Ref: Comments:

<p>(j) For agencies that participate in ERB, does the ending Net Pension Liability reported in the agency’s statement of net position tie to the Net Pension Liability, June 30, 2021 reported in the “<i>Schedule of Pension Amounts by Employer</i>” included in the ERB Schedules of Employer Allocations and Pension Amounts by Employer June 30, 2021?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(k) GASBS 75 – 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?</p> <p>(i) If the employer participates in the cost-sharing employers plan the State of New Mexico RHCA, did the agency include note disclosure containing all the applicable requirements included in GASB Cod. Sec. P50?</p> <p>(ii) If the agency participates in a “sole and agent employers” plan, did the agency present the disclosures and RSI required by GASB Cod. Sec. P50.123 to .125?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(l) For agencies that participate in RHCA, does the ending Net OPEB Liability reported in the agency’s statement of net position tie to the Net OPEB Liability, June 30, 2021 reported in the “Schedule of Pension Amounts by Employer” included in the RHCA <i>Schedules of Employer Allocations and Pension Amounts by Employer June 30, 2021</i>?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(m) If the PERA, ERB and RHCA numbers do not agree to the relative issued Schedule of Employer allocations, do not tie out did the IPA add an explanation as to why not?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(n) 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. 1200.113)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(o) Are debt service requirements to maturity disclosed in accordance with GASB Cod. Sec. 2300.106(i) and 1500.129 and GASBS 38.10 (a &amp; b)?</p> <p>(i) Are principal and interest requirements to maturity presented separate, for each of the five subsequent fiscal years and in five-year increments thereafter?</p> <p>(ii) Are interest requirements for variable-rate debt determined using the rate in effect at the financial statement date?</p> <p>(iii) Are the terms by which interest rates change for variable-rate debt disclosed?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(p) Did the lessee disclose the following about its lease activities (which may be grouped for purposes of disclosure), other than short-term leases: (L20(Leases).134 (a) to (h))</p> <p>(i) A general description of its leasing arrangements, including (1) the basis, terms, and conditions on which variable payments not included in the measurement of the lease liability are determined and (2) the existence, terms, and conditions of residual value guarantees provided by the lessee not included in the measurement of the lease liability</p> <p>(ii) The total amount of lease assets, and the related accumulated amortization, disclosed separately from other capital assets</p> <p>(iii) The amount of lease assets by major classes of underlying assets, disclosed separately from other capital assets</p> <p>(iv) The amount of outflows of resources recognized in the reporting period for variable payments not previously included in the measurement of the lease liability</p>	<p>Y/N/NA: Page Ref: Comments:</p>

<ul style="list-style-type: none"> <li>(v) The amount of outflows of resources recognized in the reporting period for other payments, such as residual value guarantees or termination penalties, not previously included in the measurement of the lease liability</li> <li>(vi) Principal and interest requirements to maturity, presented separately, for the lease liability for each of the five subsequent fiscal years and in five-year increments thereafter</li> <li>(vii) Commitments under leases before the commencement of the lease term</li> <li>(viii) The components of any loss associated with an impairment (the impairment loss and any related change in the lease liability, as discussed in paragraph .131).</li> </ul>	
<ul style="list-style-type: none"> <li>(q) Did the lessor disclose the following about its lease activities (which may be grouped for purposes of disclosure), other than short-term leases and certain regulated leases? (L20.154 (a) to (d)) <ul style="list-style-type: none"> <li>(i) A general description of its leasing arrangements, including the basis, terms, and conditions on which any variable payments not included in the measurement of the lease receivable are determined</li> <li>(ii) The total amount of inflows of resources (for example, lease revenue, interest revenue, and any other lease-related inflows) recognized in the reporting period from leases, if that amount cannot be determined based on the amounts displayed on the face of the financial statements</li> <li>(iii) The amount of inflows of resources recognized in the reporting period for variable and other payments not previously included in the measurement of the lease receivable, including inflows of resources related to residual value guarantees and termination penalties</li> <li>(iv) The existence, terms, and conditions of options by the lessee to terminate the lease or abate payments if the lessor government has issued debt for which the principal and interest payments are secured by the lease payments.</li> </ul> </li> </ul>	Y/N/NA: Page Ref: Comments
<ul style="list-style-type: none"> <li>(r) In addition to the disclosures in paragraphs L20.154 and L20.155, if a lessor's principal ongoing operations consist of leasing assets to other entities, did the government disclose a schedule of future payments that are included in the measurement of the lease receivable, showing principal and interest separately, for each of the five subsequent fiscal years and in five-year increments thereafter.</li> </ul>	Y/N/NA: Page Ref: Comments
<ul style="list-style-type: none"> <li>(s) Did the lessor also provide relevant disclosures for the following transactions, if applicable (L20.155 (a) to (e)) <ul style="list-style-type: none"> <li>a) Leases of assets that are investments</li> <li>b) Certain regulated leases</li> <li>c) Sublease transactions</li> <li>d) Sale-leaseback transactions</li> <li>e) Lease-leaseback transactions</li> </ul> </li> </ul>	Y/N/NA: Page Ref: Comments
<ul style="list-style-type: none"> <li>(t) If the lessor has one or more regulated leases which are subject to external laws, regulations, or legal rulings did they disclose the following about those lease activities (which may be grouped for purposes of disclosure), other than short-term leases: (L20.157) (a) to (f)) <ul style="list-style-type: none"> <li>a) A general description of its agreements</li> </ul> </li> </ul>	Y/N/NA: Page Ref: Comments



<ul style="list-style-type: none"> <li>b) The extent to which capital assets are subject to preferential or exclusive use by counterparties under agreements, by major class of assets and by major counterparty</li> <li>c) The total amount of inflows of resources (for example, lease revenue, interest revenue, and any other lease-related inflows) recognized in the reporting period from these agreements, if that amount cannot be determined based on the amounts displayed on the face of the financial statements</li> <li>d) A schedule of expected future minimum payments under these agreements for each of the subsequent five years and in five-year increments thereafter</li> <li>e) The amount of inflows of resources recognized in the reporting period for variable payments not included in expected future minimum payments</li> <li>f) The existence, terms, and conditions of options by the lessee to terminate the lease or abate lease payments if the lessor government has issued debt for which the principal and interest payments are secured by the lease payments.</li> </ul>	
<ul style="list-style-type: none"> <li>(u) Did the lessee also provide relevant disclosures for the following transactions, if applicable: (L20.135 (a) to (c)) <ul style="list-style-type: none"> <li>(i) Sublease transactions</li> <li>(ii) Sale-leaseback transactions</li> <li>(iii) Lease-leaseback transactions</li> </ul> </li> </ul>	Y/N/NA: Page Ref: Comments
<ul style="list-style-type: none"> <li>(v) Are disclosures made about construction and other significant commitments including encumbrances (if applicable) as required by GASB Cod. Sec. 2300.106k and 1700.127c?</li> </ul>	Y/N/NA: Page Ref: Comments:
<ul style="list-style-type: none"> <li>(w) Do the notes include disclosures about capital assets, including lease assets (reported separately) and long-term liabilities required by GASB Cod. Sec. 2300.106(l) and (m) and GASBS 34.116 to 34.120 as amended by GASBS 63.08, 88.04, and 87.37?</li> </ul>	Y/N/NA: Page Ref: Comments:
<ul style="list-style-type: none"> <li>(x) Is disclosure made of current period depreciation expense and the amounts charged to each of the functions in the statement of activities? (GASBS 34.117(d))</li> </ul>	Y/N/NA: Page Ref: Comments:
<ul style="list-style-type: none"> <li>(y) Do the notes disclose deficit fund balances or net position of individual nonmajor funds as required by GASB Cod. Sec. 2300.106(n)?</li> </ul>	Y/N/NA: Page Ref: Comments:
<ul style="list-style-type: none"> <li>(z) Are required disclosures made regarding interfund balances reported in the fund financial statements, pursuant to GASB Cod. Sec. 2300.106(o) and 2300.126: <ul style="list-style-type: none"> <li>(i) 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;</li> <li>(ii) the purpose for interfund balances; and</li> <li>(iii) interfund balances that are not expected to be repaid within one year from the date of the financial statements?</li> </ul> </li> </ul>	Y/N/NA: Page Ref: Comments:
<ul style="list-style-type: none"> <li>(aa) Are interfund transfers disclosures required by GASB Cod. Sec. 2300.127 included: <ul style="list-style-type: none"> <li>(i) 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;</li> <li>(ii) a general description of the principal purposes of the government's interfund transfers; and</li> </ul> </li> </ul>	Y/N/NA: Page Ref: Comments:

(iii) 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?	
(bb) Is there disclosure of the nature and amount of significant transactions between the primary government and its component units? GASB Cod. Sec. 2300.106(p) and GASBS 34.128?	Y/N/NA: Page Ref: Comments:
(cc) If the agency had donor-restricted endowments, is the required disclosure included: (i) 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 position? (ii) the state law regarding the ability to spend net appreciation; and (iii) 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 GASBS 34.121 as amended by GASBS 63.8)	Y/N/NA: Page Ref: Comments:
(3) If any of the items shown below apply to this entity, have the required disclosures been included in the notes?	
(a) Are the entity's risk management activities disclosed as required by applicable standards including GASB Cod. Sec. 2300.107(a), GASB Cod. Sec. C50.145-.146, GASB Cod. Sec. C50.115, and GASB Cod. Sec. Po20.146?	Y/N/NA: Page Ref: Comments:
(b) Property Tax Revenue GASB Cod. Sec. 2300.107(b)	
(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? a. Were deferred inflows of resources reported when resources associated with imposed nonexchange revenue transactions are received or reported as a receivable before: 1. (a) the period for which property taxes are levied? or 2. (b) the period when resources are required to be used or when use is first permitted for all other imposed nonexchange revenues in which the enabling legislation includes time requirements? (GASBS 33.17 and 33.18 as amended by GASBS 65.9)	Y/N/NA: Page Ref: Comments:
(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 as amended by GASBI 5.4 and GASBS 38.7 and GASB Cod. Sec. P70.104)	Y/N/NA: Page Ref: Comments:
(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) superseded by GASBS 54.5	Y/N/NA: Page Ref: Comments:

<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? (P70 Property Taxes, NCGAI 3 paragraph 11) amended by GASBS 54.5</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(c) Is Segment Information disclosed for enterprise funds as required by GASB Cod. Sec. 2300.107(c) and 2500?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(d) 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 as amended by GASBS 88.4-.6?</p> <p>(i) 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>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(e) Are related party transactions disclosed as required by GASBS Cod. Sec. 2300.107(f), GASBS 56.5 and GASBS 62.54-57?</p> <p>(i) 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:</p> <ol style="list-style-type: none"> <li>a. borrowing or lending on an interest-free basis or at a rate significantly above or below market rates;</li> <li>b. selling real estate at a price that differs significantly from the appraised value;</li> <li>c. exchanging property for similar property in a nonmonetary transaction; and</li> <li>d. making loans with no scheduled terms for when or how the loans will be repaid. (GASBS 56.5)</li> </ol>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(f) Do the notes contain the required disclosures for related organizations as required by GASB Cod. Sec. 2300.107(g) (organizations that the primary government (PG) appoints a voting majority of the board for, but is not financially accountable for) pursuant to GASBS 14.68?</p> <p>a. 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 accountable for it and describe its relationship with that primary government. Related party transactions between the primary government and the related organization should be disclosed. (GASBS 14.68 and GASB Cod. 2600.130)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(g) Do the primary government's notes contain required disclosure regarding the primary government's joint ventures and jointly governed organizations as required by GASB Cod. Sec. 2300.107(h) including;</p> <ol style="list-style-type: none"> <li>(i) a general description of each joint venture and the participant government's ongoing financial interest (including equity interest if applicable) or ongoing financial responsibility;</li> <li>(ii) information regarding whether the joint venture is accumulating significant financial resources or experiencing</li> </ol>	<p>Y/N/NA: Page Ref: Comments:</p>

<p>fiscal stress that could cause financial benefit to or burden on the participating government in the future;</p> <p>(iii) information about the availability of separate financial statements of the joint venture; and</p> <p>(iv) related party transactions with the joint venture. The additional disclosures required by the 2.2.2(10)(V)(1) NMAC should also be included.</p> <p>(v) Regarding jointly governed organizations, if a participant does not retain an ongoing financial interest or responsibility in the organization, the only disclosure required is related party transactions. (GASB Cod. Sec.2300.107(h) and J50.109- .111)</p>	
<p>(h) If the agency extinguished any debt through an advanced refunding or current refunding were the disclosures required by GASB Cod. Sec. Sec.2300.107(i), GASB Cod. Sec. D20.114-.120 included?</p> <p>(i) If the agency is a “debtor” that had “troubled debt restructurings” did the agency disclose the information required by GASB Cod. Sec. D20.147 and .148?</p> <p>(ii) If the agency is a “creditor” that had “troubled debt restructurings” did the agency make the disclosures required by GASB Cod. Sec. D20.163 and .164?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(i) 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 34.79 and GASBS 35.5?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(j) Regarding disclosure of the agency’s fund balance classification policies and procedures, are the following disclosures included:</p> <p>(i) 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;</p> <p>(ii) for assigned fund balance, the body or official authorized to assign amounts to a specific purpose and the policy established by the governing body pursuant to which the authorization is given;</p> <p>(iii) whether the government considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available; and</p> <p>(iv) 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>Y/N/NA: Page Ref: Comments:</p>
<p>(k) 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. 2300.107(l), NCGAS 1.147 as amended by GASBS 14, GASBS 34 and GASBS 63 and GASBS 84, and .156 as amended by GASBS 9, GASBS 14, and GASBS 34 and GASB Cod. Sec. 2200 footnote 5?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(l) Are disclosures regarding pension plans in both separately issued plan financial statements and employer statements disclosed in the notes as required by GASB Cod. Sec. 2300.107(m), been</p>	<p>Y/N/NA: Page Ref: Comments:</p>

included? (See also Pe5 for defined benefit plans and Pe6 for defined contribution plans)	
(m) Are disclosures regarding postemployment benefit plans other than pension plans (OPEB) been made in the separately issued Plan and Employer reports in accordance with (GASB Cod. Sec. 2300.107(n), GASB Cod. Sec. Po50 and Po51 for Plans and GASB Cod. Sec. P50 for Employers?)	Y/N/NA: Page Ref: Comments:
(n) 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) and 2300.116)	Y/N/NA: Page Ref: Comments:
(o) 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), 2600.121 and GASBS 14.60 made?	Y/N/NA: Page Ref: Comments:
(p) 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 2600.126 and GASBS 14.65?	Y/N/NA: Page Ref: Comments:
(q) If the audit report includes assets or liabilities measured at fair value in the Statement of Net Position, is there note disclosures identifying fair value measurements, the level of fair value hierarchy, and valuation techniques as required by GASB Cod. Sec.2300 (jjj) and GASB Cod. Sec. I50.152 to .155?	Y/N/NA: Page Ref: Comments:
(r) If the agency made any reverse repurchase agreements, do the notes disclose the information required by GASB Cod. Sec. 2300.107(r)GASB Cod. Sec. I55.106 to .114?	Y/N/NA: Page Ref: Comments:
(s) If the agency participated in securities lending transactions do the notes include the disclosures required by GASB Cod. Sec. 2300.107(s), GASB Cod. Sec. I60.109-.114?	Y/N/NA: Page Ref: Comments:
(t) If the government has special assessment debt and related activities, are the disclosures required by GASB Cod. Sec. 2300.107(t); S40.126-.127; and GASBS 6.20 and 6.21 included in the notes?	Y/N/NA: Page Ref: Comments:
(u) If the government has demand bonds outstanding, are the disclosures required by GASB Cod. Sec. 2300.107(u) and D30.111-112 included in the notes?	Y/N/NA: Page Ref: Comments:
(v) A government should disclose the following information about its asset retirement obligations (ARO's), except for its minority share of an ARO as described in GASBS 83 paragraphs 17 and 22: (i) A general description of the ARO's and associated tangible capital assets, as well as the source of the obligations (whether they are a result of federal, state, or local laws or regulations, contracts, or court judgments), (ii) The methods and assumptions used to measure the liabilities, (iii) The estimated remaining useful life of the associated tangible capital assets, (iv) How any legally required funding and assurance provisions associated with ARO's are being met; for example, surety bonds, insurance policies, letters of credit, guarantees by other entities, or trusts used for funding and assurance, and	Y/N/NA: Page Ref: Comments:

<p>(v) The amount of assets restricted for payment of the liabilities, if not separately displayed in the financial statements. (GASBS 83.27)</p> <p>Was the correct note disclosure made for the ARO, if applicable? (GASB Cod. 2300.107(v) A10 Certain Asset Retirement Obligations, paragraph 124-126)</p>	
<p>f. If an ARO or portions thereof has been incurred by a government but is not yet recognized because it is not reasonably estimable, the government should disclose that fact and the reasons therefore. (GASBS 83.28, GASB Cod. Section Sec. 2300.107(v) and A10.125)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>g. If an ARO was recognized, did the entity/government also recognize a corresponding deferred outflow of resources? (GASBS 83.12)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(w) If the government has landfill closure and post-closure care responsibilities, do the notes include the disclosure required by GASB Cod. Sec. 2300.107(w) and GASB Cod. Sec. L10.115-.116?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(x) 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 GASB Cod. Sec. 2300.107(x) and P40.123-.124.</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(y) 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. 2300.107(y)?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(z) If the government is involved in conduit debt obligations are the disclosures required by GASB Cod. Sec. 2300.107(z) and, GASB Cod. Sec. C65.121-123 included?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(aa) 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. 2300.107(aa) and GASB Cod. Sec. In5.103?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(i) Did the agency follow the criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes as required by GASB Cod. Sec. In5.104?</p> <p>a. If the agency participates in an external investment pool that elects to measure investments at amortized cost (such as the State Treasurer's Local Government Investment Pool) did the agency also measure their position in the pool at amortized cost?</p> <p>b. If the pool measures investments at fair value did the participant agency measure its position at fair value?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(bb) If the agency has defined benefit pensions provided to the employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan (cost-sharing pension plan) that meets the criteria in paragraph GASB Cod. Sec. P20.112 and that</p> <p>(i) (a) is not a state or local governmental pension plan,</p>	<p>Y/N/NA: Page Ref: Comments:</p>

<p>(ii) (b) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and</p> <p>(iii) (c) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan) did the agency implement apply the requirements of GASB Cod. Sec. P20.227-.232?</p>	
<p>(cc) Most interest on general long-term liabilities does not qualify as a direct expense and should be reported in the statement of activities as a separate line that clearly indicates that it excludes direct interest expenses (if any) reported in other functions.</p> <p>(i) Do the notes or financial statements clearly indicate the amount of interest that is a direct expense of various functions and the amount of interest that is an indirect expense? (GASB Cod. Sec. 2300.107(bb) and GASBS 34.46)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(dd) Are significant transactions or other events that are either unusual or infrequent but are not within the control of management separately identified within the appropriate revenue or expenditure category in the statement of revenues, expenditures, and changes in fund balances or disclosed in the notes to the financial statements? (GASB Cod. Sec. 2300.107(cc), GASB Cod. Sec. 2200.144 and .168 and GASBS 34.89)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(ee) 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(dd) and GASBS 34.77?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(ff) 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(ee) and 2200 footnote 44?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(gg) Disaggregation of receivables and payable balances GASB Cod. Sec. 2300.107(ff) and 2300.125:</p>	
<p>(i) If receivables balances are aggregations of different components, do the notes include the disclosure of amounts due from taxpayers, other governments, vendors, customers, beneficiaries, and employees? (GASBS 38.13 as amended by GASBS 63, GASBS 68, GASBS 75, GASBS 78 and GASBS 85)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(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 as amended by GASBS 63, GASBS 68, GASBS 75, GASBS 78 and GASBS 85?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(iii) If payables balances are an aggregation of different components, do the notes include the disclosure required by GASBS 38.13 as amended by GASBS 63, GASBS 68, GASBS 75, GASBS 78 and GASBS 85?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(hh) Were impaired assets accounted for and disclosed as follows?</p> <p>(i) 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</p>	<p>Y/N/NA: Page Ref: Comments:</p>

<p>position as a direct program expense or operating expense, special item or extraordinary item as appropriate?</p> <p>(ii) 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? (GASB Cod. Sec. 2300.107(gg), GASBS 62.45-.49 and GASBS 63.8)</p> <p>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)</p>	
<p>(ii) Is there disclosure of the amount of the primary government's net position that is restricted by enabling legislation as required by GASB Cod. Sec. 2300.107(hh), GASB Cod. Sec. 2200.119-.123, GASBS 63.8, GASBS 63.10?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(jj) Did the agency have termination benefits (as defined by GASBS 47.3) that require disclosure? (GASB Cod. Sec. T25.114-.117)</p> <p>(i) 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.</p> <p>(ii) If applicable, were the required disclosures made? (GASB Cod. Sec. 2300.107(ii))</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(kk) 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:</p> <p>(i) the identification of the specific revenue pledged and the approximate amount of the pledge (remaining principal and interest requirements of the secured debt);</p> <p>(ii) 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);</p> <p>(iii) 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. 2300.107(jj) and 2300.128 &amp; 129)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(ll) If the agency had derivatives, were the note disclosures required by GASB Cod. Sec. D40.168 to .179 included as appropriate? (GASB Cod. Sec. 2300.107(kk))</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(mm) If applicable are the disclosures regarding substantial doubt about the government's ability to continue as a going concern? (GASB Cod. Sec. 2300.107(ll) and GASB Cod. Sec. 2250 paragraph .120)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(nn) If it is determined that there is substantial doubt about a governmental entity's ability to continue as a going concern, do the notes to the financial statements include disclosure of the following, as appropriate: 2250.120 (a) to (f) and AU-C 570.A43</p> <p>a) Pertinent conditions and events giving rise to the assessment of substantial doubt about the government's ability to</p>	<p>Y/N/NA: Page Ref: Comments:</p>



<p>continue as a going concern for a reasonable period of time, as discussed in paragraph .117</p> <ul style="list-style-type: none"> <li>b) The possible effects of such conditions and events</li> <li>c) Government officials' evaluation of the significance of those conditions and events and any mitigating factors</li> <li>d) Possible discontinuance of operations</li> <li>e) Government officials' plans (including relevant prospective financial information)</li> <li>f) Information about the recoverability or classification of recorded asset amounts or the amounts or classification of liabilities.</li> <li>g) In addition, Section 2200, paragraph .109, requires a discussion in MD&amp;A of currently known facts, decisions, or conditions that are expected to have a significant effect on the government's financial position or results of operations. It may be necessary to include a discussion of going concern issues in the MD&amp;A, depending on the facts and circumstances.</li> </ul>	
<p>(oo) If applicable is disclosure required by GASBS 58.15 included about the government filing for a bankruptcy? (GASB Cod. Sec. 2300.107(mm))</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(pp) 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? (GASB Cod. Sec. 2300.107(nn))</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(qq) 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 and GASB Cod. Sec. 2300.107(oo))</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(rr) GASB Cod. 2300 (pp) through (jjj) contains additional disclosure requirements that may be applicable to certain agencies. These disclosures should be included as applicable.</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(ss) Did the agency (especially counties, municipalities, and school districts) include required GASBS 77 tax abatement disclosures when applicable as required by GASB Cod. Sec. 2300.107(kkk), and 2.2.2.10(Z) NMAC?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(4) If the beginning net position or fund balance was <b>restated</b></p> <ul style="list-style-type: none"> <li>(a) due to prior period adjustment for correction of an error, or</li> <li>(b) for the cumulative effect of a change to a new accounting principle, or</li> <li>(c) due to a change in the reporting entity, do the notes <ul style="list-style-type: none"> <li>(i) explain the prior period adjustment, or</li> <li>(ii) the effect of adopting the new accounting principle, or</li> <li>(iii) the nature of the change in the reporting entity, the reason for the change, and the effect of the change on beginning net position/fund net position?</li> </ul> </li> </ul> <p>(GASBS 62.62, 62.65, 62.67, 62.81, and 62.87 as amended by GASBS 63)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(5) Do the notes appear in a logical order as illustrated at GASBS Cod. Sec. 2300.901?</p>	<p>Y/N/NA: Page Ref: Comments:</p>

<b>L. Other Accounting and Reporting Issues</b>	
<p>(1) Cash in the fund financial statements - If one fund has overdrawn its share of an internal investment pool, does that fund report an interfund liability to the fund that the government's management deems to have loaned the amount to the overdrawn fund?</p> <p>(a) Does the fund deemed to have loaned the amount report an interfund receivable from the borrowing fund?</p> <p>(b) If a cash account is overdrawn in total is the balance classified as a liability pursuant to AAG SLV 5.29?</p> <p>Note that this item may not apply to State Agencies as funds that have overdrawn their share of the State General Fund Investment Pool (SGFIP) are deemed to have borrowed from the State General Fund, and not the individual agency's general fund. Please consult the agency's DFA SFRAB (ACFR) analyst for guidance.</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(2) 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?</p> <p>(a) 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 inflows of resources in the fund financial statements only. The account receivable amount remains the same during the conversion from accrual to modified accrual basis. (GASBS 33.104)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(3) If the government has intangible assets were they accounted for in accordance with GASBS 51.21-.23?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(4) 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.</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(5) Accrued liability for pollution remediation - If any of the five obligating events described in GASBS 49.11 occurred, did the agency estimate the components 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?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(6) For defined benefit pension plans and defined contribution pension plans that are administered through trusts, are the GASBS 67 standards of financial reporting for separately issued financial reports and note disclosure met?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(7) Is the general fund the only fund that reports a positive unassigned fund balance amount?</p> <p>(a) Are deficit fund balances in governmental funds other than the general fund classified as negative unassigned fund balance? A negative residual amount should not be reported for restricted, committed, or assigned fund balances in any fund (GASBS 54.17 and .19)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(8) Does the payroll liabilities amount appear reasonable based on the size of the agency and the number of employees?</p> <p>(a) For example, it is unlikely that an agency with three employees would have millions of dollars in payroll liabilities. A common error made by agencies using QuickBooks and Caselle is that</p>	<p>Y/N/NA: Page Ref: Comments:</p>

<p>payroll liabilities are expensed when they are processed and then expensed a second time when the withholdings are paid.</p> <p>(b) If not corrected, this can cause both liabilities and expenses to be significantly misstated.</p>	
<b>M. Audit Rule Requirements</b>	
<p>(1) Is the authority (i.e., cite the specific statute, federal regulation, executive order, ordinance, etc.) for creation of each special revenue fund and any minimum balance required disclosed in the notes or in the divider page that describes the purpose of each fund? (Not applicable to the ACFR) (2.2.2.10(O) NMAC, GASBS 54.32, GASB Cod. Sec. 2300.107(pp) and 1300.105).</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(2) Did the agency receive or administer any special capital outlay appropriations from the State Legislature?</p> <p>(a) If capital outlay appropriations were received, did the financial statements of the entity recognize the transactions (revenues, expenditures, and related assets and liabilities) in accordance with GASBS 33?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(3) For state agencies only - Are all Statewide Human resources Accounting and 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? (2.2.2.12(A)(2) NMAC).</p>	<p>Y/N/NA: Page Ref: Comments:</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 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. (2.2.2.12.(A)(3) NMAC)</p> <p>(a) Do the accounts payable in the financial statements include the “requests to pay prior year bills 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?</p> <p>(b) Are the “requests to pay prior year bills with current year funds” amounts included in the related reconciliations?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(5) For state agencies only – Are the amounts due to and from other state agencies disclosed in the notes?</p> <p>(a) 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 2.2.2.12(A)(14) NMAC?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(6) For state agencies only – Are inter-agency transfers (between an agency’s internal funds and the funds of other state agencies) 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? (2.2.2.12(A)(7)(b) NMAC)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<b>(7) For state agencies only, regarding reverting funds:</b>	
<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? (2.2.2.10(G) NMAC)</p>	<p>Y/N/NA: Page Ref: Comments:</p>

<p>(b) In the description of each individual fund, do the notes disclose the reverting or non-reverting status of each fund?</p> <p>(i) 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? (2.2.2.10(G) NMAC)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(c) If applicable, does the report include an audit finding for failure to transfer reverting funds to the State General Fund in a timely manner (by September 30<sup>th</sup> pursuant to 6-5-10(A) NMSA 1978)? (2.2.2.12(A)(6)(b) NMAC)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(8) For school districts only, regarding budgetary compliance findings:</p>	
<p>(9) Is the legal level of budgetary control at the function level for school districts (2.2.2.10(Q)(2) NMAC).</p> <p>(a) Are budgetary compliance findings for school districts reported at the function level (not the fund level)?</p> <p>For guidance regarding assessment of budgetary compliance findings for school districts the please work with the Public Education Department.</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(10) Do the auditor’s workpapers include a written audit program for fund balances and net position that includes tests for proper classification of fund balances pursuant to GASBS 54 and proper classification of net position as restricted or unrestricted pursuant to GASBS 34.34 to 34.37(as amended by GASBS 46.2, GASBS 63.8-.11, GASBS 61.12, GASBS 54.10-.16 (as amended) and GASBS 46.4 and 46.5 (as amended by GASBS 63.8))? (2.2.2.10(I) NMAC)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(11) If the IPA received a “Referral for the FY 2022 Audit” letter (2.2.2.10(H) NMAC) from the Office of the State Auditor, did the IPA:</p> <p>(a) Take the circumstances described in the referral into account in the risk assessment process and perform such procedures as, in the IPA’s professional judgement, were necessary to determine what further action, if any, in the form of additional disclosure, findings, and/or recommendations were appropriate?</p> <p>(b) After the conclusion of fieldwork but at least 14 days prior to submitting the draft annual audit report to the Office for review, provide written confirmation to the Office that the IPA took appropriate action in response to the referral?</p> <p>(c) Are any additional disclosures, findings, and/or recommendations associated with the referral referenced in the written confirmation?</p> <p>(d) Include adequate documentation in the audit workpapers to support the written confirmation to the Office that the IPA took appropriate action in response to the referral?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(12) For investing agencies only, which are defined as STO, PERA, ERB, and the state investment council, 2.2.2.12(F) requires that investing agencies prepare schedules of asset management costs which include management fee information by investment class.</p> <p>(a) Were the schedules of asset management costs included as unaudited other information in the audit report?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(13) Were required electronic schedule template Excel files prepared using the most recent version?</p> <ul style="list-style-type: none"> <li>• Summary of Finding Report; and</li> <li>• Schedules of Asset Management Costs, if applicable.</li> </ul>	<p>Y/N/NA: Page Ref: Comments:</p>

<p>The most recent version of the excel file is available on the OSA website at <a href="https://www.saonm.org/for_audit_firms">https://www.saonm.org/for_audit_firms</a> (2.2.2.9(B)(3), and 2.2.2.12 (F), NMAC)</p>	
<b>N. Combining and Individual Fund Financial Statements</b>	
<p>(1) Are combining statements for all non-major funds included after the notes as supplemental information?  (a) Do the total amounts in the combining statements agree with the respective amounts shown in the basic financial statements?  (2.2.2.10(A)(2)(e) NMAC), GASBS 34.383</p>	<p>Y/N/NA:  Page Ref:  Comments:</p>
<p>(2) If the agency has multiple internal service funds is there a separate combining statement? (GASBS 34.96 and its Illustrations H-3, H-4, or H-5))  (a) Do the total amounts shown in the combining statement tie to the respective internal services column amounts in the proprietary fund financial statements?  (2.2.2.10(A)(2)(e) NMAC)</p>	<p>Y/N/NA:  Page Ref:  Comments:</p>
<b>O. Component Units – GASBS 34.124-128 and Illustrations F-1 and F-2 as amended by GASBS 63</b>	
<p>(1) Regarding School Districts and Charter Schools – If PED or a school district and its IPA determined that a charter school is a component unit of PED or the district, is the charter school included in the financial statements of its chartering entity as required by 2.2.2.12(C)(4)(c) NMAC?</p>	<p>Y/N/NA:  Page Ref:  Comments:</p>
<p>(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 2.2.2.10(A)(1)(b) NMAC?</p>	<p>Y/N/NA:  Page Ref:  Comments:</p>
<p>(3) 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? (2.2.2.10.(A) (1)(a) NMAC)</p>	<p>Y/N/NA:  Page Ref:  Comments:</p>
<p>(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 2.2.2.10(A)(1)(c) NMAC? (Except for component unit housing authorities that are authorized by 12-6-3(E) NMSA 1978 to use a different auditor)</p>	<p>Y/N/NA:  Page Ref:  Comments:</p>
<p>(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 as amended by GASBS 63.8:  (a) (1) presenting each major component unit in a separate column in the reporting entity’s statements of net position and activities; or  (b) (2) including combining statements of major component units in the primary government’s basic statements after the fund financial statements; or  (c) (3) presenting condensed financial statements in the notes to the reporting entity’s financial statements? Do the totals presented according to method (2) above, tie to the government-wide presentation of the component units as required by GASBS 34.126 as amended by GASBS 37.18 and GASBS 63.8?</p>	<p>Y/N/NA:  Page Ref:  Comments:</p>
<p>(6) Is the level of detail reported consistent with the materiality level required for the component unit? (2.2.2.10(A)(2)(a) NMAC)</p>	<p>Y/N/NA:  Page Ref:  Comments:</p>
<p>(7) If there are no separately issued financial statements for the component unit, are fund financial statements for the component unit</p>	<p>Y/N/NA:  Page Ref:</p>

included as audited supplemental information? (2.2.2.10(A)(1)(d) NMAC and AAG SLV 3.22)	Comments:
(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 as amended by GASBS 63.8 and GASBS 65.13)	Y/N/NA: Page Ref: Comments:
(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?	Y/N/NA: Page Ref: Comments:
(10) If there are no separately issued financial statements for the component unit, are budgetary comparison schedules for the component unit's general fund and major special revenue funds that have legally adopted annual budgets included in the supplemental information section of the report? (a) These budgetary comparison schedules are required to be audited and opined on. (AAG SLV 11.04 and 2.2.2.10(A)(1)(d) NMAC) The OSA interprets a "legally adopted budget" to exist any time the governing body approves a budget, and in every case where an entity receives federal funds, state funds, or any other "appropriated funds." (AAG SLV 11.04 and 2.2.2.10(A)(1)(d) NMAC)	Y/N/NA: Page Ref: Comments:
(11) Are the component unit audit findings included in the audit report of the primary government? (2.2.2.10(L)(7) NMAC)	Y/N/NA: Page Ref: Comments:
(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 component units of the primary government with gross annual incomes in excess of \$250,000 were audited as required by 6-5A-1 NMSA 1978? (2.2.2.10(A)(1)(b) NMAC)	Y/N/NA: Page Ref: Comments:
(13) If there were any separate audit reports issued by the primary government's auditor 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? (a) If a separate audit firm audited a component unit, was the reporting package for the component unit submitted to the State Auditor by the earlier of 15 days prior to the report due date of the primary government or any other applicable due date? (b) Was a separate review guide and reporting package submitted to the State Auditor for each separate report of a component unit? (2.2.2.9(A)(1)(k) NMAC)	Y/N/NA: Page Ref: Comments:
(14) For component units that are organized as not-for-profit corporations in which the primary government is the sole corporate member, have the component units been included in the reporting entity financial statements using the blending method as required by GASB Cod. Sec. 2600.113(d)?	Y/N/NA: Page Ref: Comments:
<b>P. RSI required by GAAP</b>	
(1) Are all RSI schedules required by any applicable GASB standard included in the report? RSI required by GAAP may include:  (a) RSI required by GASBS 25, 27, 68 and/or 73 for pension plans; (b) RSI required for postemployment benefits other than pensions by GASBS 43 and/or 74 (plan) and 75 (employer); (c) Infrastructure modified approach schedules derived from the asset management system (GASBS 34.132);	Y/N/NA: Page Ref: Comments:

<p>(d) RSI schedules required by GASBS 67 for pension plans that are administered as trusts;</p> <p>(e) RSI schedules required by GASBS 68 for employers that participate in pension plans administered as trusts?</p>	
<b>Q. Other Supplementary Information</b>	
<p>(1) Special, Deficiency, Specific and Capital Outlay Appropriations:</p> <p>(a) If special, deficiency, or specific and capital outlay appropriations were appropriated to the agency, is the following information disclosed in the notes or a supplemental SI schedule the:</p> <p>(i) original appropriation,</p> <p>(ii) appropriation period,</p> <p>(iii) expenditures to date,</p> <p>(iv) outstanding encumbrances,</p> <p>(v) unencumbered balances, and</p> <p>(vi) amounts reverted (if applicable)?</p> <p>(b) If there is an unexpended balance, does either the schedule or the note disclosure explain the accounting treatment of the unexpended balance? (2.2.2.10(R)(2) NMAC)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(2) For counties only: does the audit report include the following schedules:</p> <p>(a) “Tax Roll Reconciliation of Changes in the County Treasurer’s Property Taxes Receivable” showing the June 30<sup>th</sup> 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</p> <p>(b) “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?</p> <p>(c) If the county does not have a system set up to gather and report the necessary information, was a finding reported? (2.2.2.12(D) NMAC)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(3) <b>For housing authorities only:</b> Does the audit report include a Financial Data Schedule?</p> <p>(a) If there are material differences between the schedule and the financial statements, are the differences reconciled and explained in notes to the schedule? (2.2.2.12(B)(5)(a)(iv) NMAC).</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(4) <b>For School Districts and REC’s –</b></p> <p>(a) Does the audit report include a cash 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?</p> <p>(b) Does the schedule account for cash in the same categories used by the District or REC in its monthly cash reports to the PED?</p> <p>(c) 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?</p> <p>(d) 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? (2.2.2.12(C)(2)(d) and (3)(b) NMAC)</p>	<p>Y/N/NA: Page Ref: Comments:</p>

<p>(5) If the audit report includes a statistical section (in a ACFR or non-ACFR report), does it comply with the GASBS 44.6 requirements to include the five categories of information:</p> <ul style="list-style-type: none"> <li>(a) financial trends;</li> <li>(b) revenue capacity;</li> <li>(c) debt capacity;</li> <li>(d) demographic and economic; and</li> <li>(e) operating?</li> </ul>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(6) Does the Schedule of Expenditures of Federal Awards (SEFA) include the required information listed below? § 200.510 CFR 2021</p>	
<p>(a) Does the SEFA list individual federal programs by federal agency? (AAG GAS 7.08)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(b) For federal programs included in a cluster of programs, does the SEFA provide the cluster name, list individual federal programs within the cluster of programs, and provide the applicable federal agency name?</p> <ul style="list-style-type: none"> <li>(i) 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 (AAG GAS 7.08)</li> </ul>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(c) For federal awards received as a subrecipient, does the schedule include the name of the pass-through entity and the identifying number assigned by the pass-through entity? (AAG GAS 7.08)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(d) Does the schedule provide the total federal awards expended for each individual federal program and the assistance listing number or other identifying number when the assistance listing number is not available? (AAG GAS 7.08)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(e) Are all noncash awards presented on the face of the schedule? (AAG GAS 7.08 and 7.17)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(f) Does the schedule include the total amount of federal awards expended for loan or loan guarantee programs? (AAG GAS 7.20)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(g) Does the schedule include the total amount provided to subrecipients from each federal program? (AAG GAS 7.08)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(h) Do the notes to the schedule describe:</p> <ul style="list-style-type: none"> <li>(i) the significant accounting policies used in preparing the schedule,</li> <li>(ii) include year-end loan balances, and</li> <li>(iii) note whether or not the auditee elected to use the 10-percent de minimis indirect cost rate? (AAG GAS 7.09)</li> </ul>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(i) Do the notes to the schedule include the balances of loan and loan guarantee programs (loans) outstanding at the end of the audit period for those loans described in 2 CFR 200.502(b)? (AAG GAS 7.09)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(j) If a Single Audit was performed, did the auditor use the criteria listed in AAG GAS 8.21 to determine whether the auditee is low risk?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(7) Single Audit Percentage of Coverage Rule- AAG GAS 8.17</p> <ul style="list-style-type: none"> <li>(a) For an auditee that did not meet the criteria for a low-risk auditee, did the auditor audit federal programs as major programs such</li> </ul>	<p>Y/N/NA: Page Ref: Comments:</p>



<p>that the total federal awards expended in the major programs, in the aggregate, encompass at least 40 percent of the total federal awards expended?</p> <p>(b) If the auditee met the criteria for a low-risk auditee, did the auditor audit as major programs federal programs with federal awards expended that, in the aggregate, encompass at least 20 percent of the total federal awards expended?</p>	
<p>(8) Does the audit report include a supplementary schedule or note that discloses the collateral pledged by each depository for public funds?</p> <p>(a) The schedule should disclose the type of security, security number, CUSIP number, fair market value, and maturity date. (2.2.2.10(P)(4)(a) NMAC)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(9) 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?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(10) Have all the financial statements, notes and schedules been footed and cross-footed for clerical accuracy?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p><b>R. Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i></b></p>	
<p>(1) Does the report follow the relevant example (Examples 4-3 through 4-9) from AAG GAS 4.89? <b>Please indicate as a comment which example was followed.</b></p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(2) Was the first paragraph of the report modified as follows (modifications in bold) to address the requirements of the 2022 Audit Rule?</p> <p>We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, <b>and the budgetary comparisons of the general fund and major special revenue funds</b> of the [the agency], as of and for the year ended June 30, 20XX, and the related notes to the financial statements, which collectively comprise [the agency’s] basic financial statements and have issued our report thereon dated month day, 20XX.</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(3) Were findings required by 12-6-5 NMSA 1978 that do not rise to the level of a significant deficiency or are classified as “other matters” included in the Compliance and Other Matters paragraph? (AAG GAS 4, Example 4-3, FN 38).</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p><b>S. Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance</b></p>	
<p>(1) Does the report follow the relevant example (Examples 13-1 through 13-6) from AAG GAS 13.66? <b>Please indicate as a comment which example was followed.</b> Note that 2.2.2.10(A)(2)(e) NMAC requires the auditor to give an “in relation to” opinion on supplemental information schedules including the SEFA. In addition, AAG GAS recommends the auditor reporting on the schedule of expenditures of federal awards in the report as</p>	<p>Y/N/NA: Page Ref: Comments:</p>

supplementary information on the report on the financial statements (AAG GAS 13.13).	
<b>T. Schedule of Findings and Questioned Costs</b> (required for every Uniform Guidance compliance audit per AAG GAS 13.34)	
(1) Does the report include a “Schedule of Findings and Questioned Costs”? (AAG GAS 13.34)	Y/N/NA: Page Ref: Comments:
(2) Does the Schedule of Findings and Questioned Costs begin with a Summary of Auditor’s Results section containing the following elements, where applicable? (AAG GAS 13.35)	Y/N/NA: Page Ref: Comments:
(a) The type of report the auditor issued on the financial statements of the agency: unmodified; qualified opinion; adverse opinion; or disclaimer of opinion?	Y/N/NA: Page Ref: Comments:
(b) A statement regarding whether any significant deficiencies or material weaknesses in internal control were disclosed by the audit of the financial statements.	Y/N/NA: Page Ref: Comments:
(c) A statement regarding whether the audit disclosed any non-compliance that is material to the financial statements.	Y/N/NA: Page Ref: Comments:
(d) A statement regarding whether significant deficiencies or material weaknesses in the internal controls over major programs were disclosed by the audit.	Y/N/NA: Page Ref: Comments:
(e) The type of report the auditor issued on compliance for major programs: unmodified, qualified opinion, adverse opinion, or disclaimer of opinion).	Y/N/NA: Page Ref: Comments:
(f) A statement whether the audit disclosed any audit findings that the auditor is required to report: (i) significant deficiencies and material weaknesses in internal control over major programs; (ii) material noncompliance with federal statutes, regulations, or the terms and conditions of federal awards related to a major program; (iii) known questioned costs greater than \$25,000 for a type of compliance requirement for a major program; (iv) known question costs greater than \$25,000 for a Federal program which is not audited as a major program; (v) known or likely fraud affecting a federal award; (vi) significant instances of abuse relating to major programs; (vii) circumstances causing the auditor’s report on compliance for each major program to be modified, unless otherwise reported as audit findings; and (viii) 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. (AAG GAS 13.35, AAG GAS 13.39 and 2 CFR 200.516(a))	Y/N/NA: Page Ref: Comments:
(g) Identification of the auditee’s major programs?	Y/N/NA: Page Ref: Comments:
(h) The dollar threshold used to distinguish between type A and B programs?	Y/N/NA: Page Ref: Comments:
(i) A statement indicating whether the auditee qualified as a low-risk auditee?	Y/N/NA: Page Ref: Comments:

<b>U. Audit Findings</b>	
<p>(1) Does the report contain a summary of audit results preceding the presentation of the audit findings (if any) and does the summary contain the elements required per 2.2.2.10 (L)(1)(f) NMAC?</p> <p>Note: A summary of audit results presented as part of a schedule of findings and questioned costs also fulfills this requirement.</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(2) Did the auditor review 2.2.2.10(L) NMAC relating to Audit Findings and ensure that all requirements have been met?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(3) 2.2.2.10(L)(1) NMAC requires that finding reference numbers have a standard format with the four-digit audit year, a hyphen and a three digit sequence number (e.g. 2013-001). All current year audit findings must follow this required format.</p> <p>(a) For all modified or repeated prior year audit findings, the prior year findings shall include the finding numbers used when the finding was first reported under historical numbering systems in brackets, following the current year finding reference number (e.g., 2021-001 (2020-003)) to enable the report user to see what year the finding originated and how it was identified in previous years.</p> <p>(b) In addition, depending on the IPA’s classification of the finding, the finding reference number should be followed by one of the following descriptions: “material weakness”, “significant deficiency”, “material noncompliance”; “other noncompliance”; or “other matters”.</p> <p>(c) Does each finding have this required information?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(4) If the IPA chooses to use a subcontractor to assist the IPA in working on a specific audit, did the IPA obtain prior written approval of the state auditor to subcontract a portion of the audit work? (The IPA may subcontract only with IPAs who have submitted a completed and approved firm profile to the state auditor as required in Subsection A of 2.2.2.8 NMAC). (2.2.2.8(K)(1)-(2) NMAC)</p> <p>(a) If the required prior written approval was not obtained, did the auditor write a related finding as required by 2.2.2.10.(L)(5) NMAC?</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(5) Are the findings presented in sufficient detail and do they include the following information: Condition, Criteria, Effect, Cause, Recommendation, and Agency Response? ((2.2.2.10.L(1)(d)) NMAC)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(6) Do the finding reference numbers for single audit findings reported on the data collection form match those reported in the schedule of findings and questioned costs and the applicable auditor’s report. (2.2.2.10(L)(1) NMAC)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(7) For all federal award findings, is the information required by 2 CFR 200.516(b) included in the finding? (AAG GAS 13.42)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(8) For each finding, are the facts and amounts supporting the deficiency clearly identified in the condition paragraph?</p> <p>(a) 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?</p>	<p>Y/N/NA: Page Ref: Comments:</p>

<p>(b) Where appropriate, are instances identified in the finding related to the universe and the number of cases examined, and quantified in terms of dollar value? (2 CFR 200.516(b))</p> <p>(c) Does the condition on each repeated or modified prior year finding include management's progress or lack of progress towards implementing the prior year corrective action plan as required by 2.2.2.10(L)(1)(d)(i) NMAC?</p>	
<p>(9) If applicable, are questioned costs identified, including how they were computed? (AAG GAS 13.42)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(10) Is the criteria or specific requirement upon which each audit finding is based, including the statutory, regulatory, or other reference, reported in the criteria paragraph? (AAG GAS 13.42)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(11) For each finding, does the effect paragraph explain the impact or potential impact of the difference between the situation that exists (condition) and the required or desired state (criteria)?</p> <p>(a) Is there a clear, logical link to establish the impact or potential impact of the difference between the condition and the criteria? (AAG GAS 13.42)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(12) Does the cause paragraph of each finding explain the reason for difference between the situation described in the "condition" and the required or desired state described in the "criteria"?</p> <p>(a) 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. (AAG GAS 13.42)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(13) Do the finding recommendations for each finding address each condition and cause? (2.2.2.10(L)(1)(d)(v) NMAC and AAG GAS 13.42)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(14) Are views of responsible officials and management's planned corrective actions, <b>including a timeline and designation of what employee position(s) are responsible for meeting deadlines in the timeline</b> included in the agency response paragraph? (2.2.2.10(L)(1)(d)(vi) NMAC, and AAG GAS 13.42-43)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(15) 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"? (GAGAS 6.59 and AAG GAS 13.44)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(16) 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 (unless a longer period is agreed to in advance by the cognizant or oversight agency), did the auditor consider the late submission in risk determination (CFR 200.519 and 200.520)?</p> <p>(a) Was a finding for non-compliance reported (as required per 12-6-5 (A) NMSA 1978)</p>	<p>Y/N/NA: Page Ref: Comments:</p>
<p>(17) Were the findings separated into three sections (if applicable):</p> <p>(a) for the financial statement findings required by GAGAS;</p> <p>(b) for the Federal award findings and questioned costs required by Uniform Guidance as described above (AAG GAS 13.35 and 13.39); and</p> <p>(c) for findings required by 12-6-5 NMSA 1978 and 2.2.2.10 (L)(1)(c) NMAC?</p>	<p>Y/N/NA: Page Ref: Comments:</p>

<p>(18) Are audit findings that relate to both:  (a) (1) the financial statements and  (b) (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?  (AAG GAS 13.35(c)(ii))</p>	<p>Y/N/NA:  Page Ref:  Comments:</p>
<p>(19) Is the status of all prior year findings and all findings from special audits performed under the oversight of the state auditor included in “the summary schedule of prior audit findings”?  (a) Does the summary schedule include the prior year finding number, the title, and whether the finding was resolved, repeated or repeated and modified in the current year and no other information? (2.2.2.10(L)(2)(a) NMAC)</p>	<p>Y/N/NA:  Page Ref:  Comments:</p>
<p>(20) Are all findings, if applicable, from special audits performed under the oversight of the state auditor included in the findings of the annual financial and compliance audits of the related fiscal year?  (2.2.2.10(L)(2)(a) NMAC)</p>	<p>Y/N/NA:  Page Ref:  Comments:</p>
<p>(21) Upon discovery of any violation of a criminal statute in connection with financial affairs, an agency or IPA is required to notify the state auditor in writing immediately. 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?  (a) If a violation of a criminal statute was discovered, did the auditor or the agency report these matters in a letter to the Office of the State Auditor as required by 2.2.2.10(N)(2) &amp; (3) NMAC and 12-6-6 NMSA 1978?</p>	<p>Y/N/NA:  Page Ref:  Comments:</p>
<p>(22) If the IPA prepared the financial statements for management’s review and approval, were the requirements of 2.2.2.10(D)(4) NMAC met?  (a) Did the auditor document his/her evaluation of threats to independence and safeguards applied in accordance with the conceptual framework for independence at GAGAS 3.33?  (GAGAS 3.64 to 3.106 and AAG GAS 2.29-2.30)</p>	<p>Y/N/NA:  Page Ref:  Comments:</p>
<p><b>2. Single Audit – Uniform Guidance requires that, upon completion of the audit, the auditee must prepare, in a document separate from the schedule of findings and questioned costs, a corrective action plan to address each audit finding included in the current year auditor's report. 2 CFR 200.511(a) requires the corrective action plan to include findings relating to the financial statements required to be reported in accordance with Government Auditing Standards. The corrective action plan must provide the name(s) of the contact person(s) responsible for corrective action, the corrective action planned for each audit finding (referred to by the auditor-assigned reference number), and the anticipated completion date. (AAG GAS 10.73) Have these requirements been met?</b></p>	<p>Y/N/NA:  Page Ref:  Comments:</p>
<p><b>3. Exit Conference</b></p>	
<p>(1) 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? (2.2.2.10(M)(1) NMAC)</p>	<p>Y/N/NA:  Page Ref:  Comments:</p>
<p>(2) If there are component units, was a representative of each component unit present at the exit conference or was a separate exit conference held for each component unit as required by 2.2.2.10(M)(1) NMAC?</p>	<p>Y/N/NA:  Page Ref:  Comments:</p>
<p>(3) If a quorum of a public body subject to the Open Meetings Act was present at the exit conference, was the exit conference held in a closed meeting to preserve the confidentiality of the information?  (2.2.2.10(M)(4) NMAC)</p>	<p>Y/N/NA:  Page Ref:  Comments:</p>

<b>4. Management Representation Letter</b>	
<b>A.</b> Are the following representations included in the management representation letter?	
(1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated XX/XX/XX, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP. (AU-C 580.10)	Y/N/NA: Comments:
(2) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. (AU-C 580.10)	Y/N/NA: Comments:
(3) Management has provided the auditor with all relevant information and access, as agreed upon in the terms of the audit engagement. (AU-C 580.11)	Y/N/NA: Comments:
(4) Management has recorded all transactions and they are reflected in the financial statements. (AU-C 580.11)	Y/N/NA: Comments:
<b>B.</b> If the auditor provided the agency with nonaudit services (formatting the working trial balances, recommending adjusting journal entries, updating the depreciation schedules, drafting the financial statements, etc.) is there management representation stating: (1) that management acknowledges its responsibilities as it relates to nonaudit services performed by the auditor, including a statement that it assumes all management responsibilities; (2) that it oversees the services by designating an individual preferably within senior management who possesses suitable skill, knowledge, or experience; (3) that it evaluates the adequacy and results of the services performed; and that it accepts responsibility for the results of the services the agency designated an individual with suitable skill, knowledge, or experience to oversee the nonaudit services and (4) that management made all the management decisions and performed all of the management functions, and (5) that management reviewed, approved, and accepted responsibility for those financial statements and related notes? (AAG GAS 3.61 (k) and 3.62)	Y/N/NA: Comments:
<b>C.</b> For Single Audits Only - does the management representation letter include the applicable management representations below that are required by AU-C 935.23? (1) Management is responsible for understanding and complying with the compliance requirements; (2) Management is responsible for the design, implementation, and maintenance of controls that provide reasonable assurance that the entity administers government programs in accordance with the compliance requirements; (3) Management has identified and disclosed to the auditor all of its government programs and related activities subject to the governmental audit requirement; (4) Management has made available to the auditor all contracts and grant agreements, including amendments, if any, and any other correspondence relevant to the programs and related activities subject to the governmental audit requirement; (5) Management has disclosed to the auditor all known noncompliance with the applicable compliance requirements or stated that there was no such noncompliance;	Y/N/NA: Comments:

<p>(6) Management believes that the entity has complied with the applicable compliance requirements (except for noncompliance it has disclosed to the auditor);</p> <p>(7) Management has made available to the auditor all documentation related to compliance with the applicable compliance requirements;</p> <p>(8) Management identified management’s interpretation of any applicable compliance requirements that are subject to varying interpretations;</p> <p>(9) Management has disclosed to the auditor any communications from grantors and pass-through entities concerning possible noncompliance with the applicable compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor’s report;</p> <p>(10) Management has disclosed to the auditor the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor’s report;</p> <p>(11) Management has disclosed to the auditor all known noncompliance with the applicable compliance requirements subsequent to the period covered by the auditor’s report or stating that there were no such known instances; and</p> <p>(12) Management is responsible for taking corrective action on audit findings of the compliance audit.</p>	
<p><b>D.</b> Dating of the Management Representation Letter – is the management representation letter dated the same day as the auditor’s report on the financial statements, and is the written representation for all financial statements and periods referred to in the auditor’s report? (AU-C 580.20)</p>	<p>Y/N/NA: Comments:</p>
<p><b>5. Standards That Will Be Implemented Soon</b></p>	
<ul style="list-style-type: none"> <li>• GASBS 91 – Conduit Debt Obligation, reporting periods beginning after December 15, 2021</li> <li>• Statement 94 – Public-Private Partnerships</li> <li>• Statement 96–Subscription-based Information Technology Arrangements <ul style="list-style-type: none"> <li>○ IG 2020-1 – Update (4.6-4.17 and 4.19-4.21)</li> </ul> </li> </ul>	
<p><b>Note: If an entity chose to early implement one or more of the above standards, please confirm that appropriate disclosures were included and provide page(s) references.</b></p>	<p>Page Ref: Comments:</p>

This review guide was completed and signed by the Audit Manager or the audit firm employee responsible for the firm’s quality control system. The reviewer hereby represents that the financial statements were presented in accordance with applicable auditing, accounting and financial reporting standards, Uniform Guidance and/or OMB Circulars, and 2.2.2 NMAC. The reviewer also represents that all the questions noted above were answered accurately, page numbers were properly referenced for all “yes” answers, and all “no” answers were fully explained or corrected.

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date