# NEW MEXICO OFFICE OF THE STATE AUDITOR OSA VERSION - REPORT REVIEW GUIDE FOR REVIEWING AU-C 805 REPORTS ON PARTICIPANT EMPLOYER ALLOCATION SCHEDULES PENSION PLANS

This review guide should be used for reviewing the AU-C 805 reports on the Participant Employer Allocation Schedules produced by PERA and ERB pursuant to 2.2.2.10(Y)(1) NMAC (2023 Audit Rule)

AGENCY NAME (Indicate whether the report being reviewed is the PERA AU-C 805 Audit Report or the ERB AU-C 805 Audit Report)		AGENCY NUMBER	FISCAL YEAR
NAME OF AUDITING FIRM	NAME OF AUD	OIT MANAGER	
DATE REPORT SUBMITTED TO STATE AUDITOR  OPINION(S) RENDERED ON THE AU-C 805 AUDIT	Yes U Was the AU-C R	No Date of Date of	OSA timely?
` '		OPINION	FINDINGS
Were representatives of the governing authority (or head of management present at the exit conference as required by S If not, the compliance finding is reported on p			No 🗆

# **Objective:**

The objectives of this review guide are to ensure that the audit report follows: (1) the requirements of 2.2.2.10(Y) NMAC; and (2) the example provided by AU-C 9805.02 which is found in the AU-C 800 section "Auditor of Governmental Cost-Sharing Multiple-Employer Pension Plan," to AU-C 805; and (3) provides the participant governments with the information necessary to prepare the disclosure required by GASBS 68 Illustration #3, Note Disclosures and Required Supplementary Information for a Cost-Sharing Employer (No Nonemployer Contributing Entities).

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# **Instructions:**

The agency and/or IPA should review the AU-C report by answering the questions below with a "yes" or "no" answer. Any "no" answers require further explanation from PERA, ERB or their respective AU-C 805 auditors. Pursuant to 2.2.2.9(A)(3) NMAC, the completed review guide should be submitted to the Office of the State Auditor along with the report.

## **Authoritative References:**

AU-C *U.S. Auditing Standards – AICPA (Clarified)* 

GASBS Governmental Accounting Standards Board Statement

NMAC New Mexico Administrative Code

2.2.2 NMAC Requirements for Contracting and Conducting Audits of Agencies (Audit Rule 2023)

AAG-GAS AICPA Audit and Accounting Guide: Government Auditing Standards and Single Audits

(4/1/2022)

D	1.1		
Documents Required by the Office of the State A			
Did the auditor submit an <b>electronic copy</b> of the AU-C 805 audit report along	YES	NO	
with a copy of the <b>management representation letter</b> pursuant to AU-C	Comments:		
805.A13 and 2.2.2.(9)(A)(3) NMAC?			
	Page Ref:		
Did the IPA complete a copy of this <b>review guide</b> and submit it to the OSA with	YES	NO	
the audit report pursuant to 2.2.2.(9)(A)(3) NMAC?	Comments:	1,0	
the addit report pursuant to 2.2.2.(3)(A)(3) WHAC!			
1 Requirements for the AU-C 805 Audit Report from PERA and ERB	Page Ref:	<del></del> _	
pursuant to 2.2.2.10(Y) NMAC			
	~		
A. Elements of the Independent Auditor's Report - (See the report example	See below		
at AU-C 9805)			
(1) Does the title include the word <i>independent?</i> AU-C 700.22	YES	NO	N/A
	Comments:		
	Pg. Ref.		
(2) Is the report addressed to the State Auditor, the entity and the governing	YES	NO	N/A
body (if applicable)?			
oody (II application).	Comments: Pg. Ref.		
(3) Does the introductory paragraph titled "Opinion" state:	YES	NO	N/A
	Comments:	110	11/11
(AU-C 9805.02 which is found in the AU-C 800 section)	Comments.		
"We have audited the schedule of employer allocations of (PERA or			
ERB) Pension Plan(s) as of and for the year ended June 30, 20XX, and			
the related notes. We have also audited the total for all entities of the			
columns titled net pension liability, total deferred outflows of			
resources, total deferred inflows of resources, and total pension			
expense (specified column totals) included in the accompanying			
schedule of pension amounts by employer of (PERA or ERB) Pension			
Plans as of and for the year ended June 30, 20XX, and the related notes.			
notes.			
In our opinion, the accompanying schedules referred to above present			
fairly, in all material respects, the employer allocations and net pension			
liability, total deferred outflows of resources, total deferred inflows of			
resources, and total pension expense for the total of all participating	Pg. Ref.		
entities for (PERA or ERB) Pension Plan as of and for the year ended	1 g. Kei		
June 30, 20XX, in accordance with accounting principles generally			
accepted in the United States of America.			

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(4	Does the section with the heading "Basis for Opinions" follow the introductory paragraph, and include the following wording?	YESComments:	NO	N/A	
	We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Schedules section of our report. We are required to be independent of (PERA or ERB) Pension Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.	Pg. Ref			
(5	5) Does a section with the heading "Responsibilities of Management for the Schedules" include the following wording?	YES Comments:	NO	N/A	
	"Management is responsible for the preparation and fair presentation of these schedules 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 the schedules that are free from	Pg. Ref			
	material misstatement, whether due to fraud or error."	1 g. Kci			
(6	Does a section with the heading "Auditor's Responsibilities for the Audit of the Schedules" follow the previous paragraph and include the following paragraphs and wording?	YES Comments:	NO	N/A	
	"Our objectives are to obtain reasonable assurance about whether the schedules are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions.				
	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 schedules.				
	In performing an audit in accordance with GAAS, we:				
	<ul> <li>Exercise professional judgment and maintain professional skepticism throughout the audit.</li> <li>Identify and assess the risks of material misstatement of the schedules, 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 schedules.</li> </ul>				
	<ul> <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 (PERA or ERB) Pension Plan's internal control. Accordingly, no such opinion is expressed.</li> </ul>				
	<ul> <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 schedules.</li> </ul>				

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	<ul> <li>Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about (<i>PERA or ERB</i>) Pension Plan's ability to continue as a going concern for a reasonable period of time.</li> <li>We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the</li> </ul>				
	audit, significant audit findings, and certain internal control-related matters that we identified during the audit."	Pg. Ref			
(	7) Is the previous information followed by the subheading "Other Matters" with the following wording?	YES Comments:	NO	N/A	
	"We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of ( <i>PERA or ERB</i> ) Pension Plan as of and for the year ended June 30, 20XX, and our report thereon, dated Month, Day 20XX, expressed an unmodified opinion on those financial statements."	Pg. Ref	_		
(	8) Continuing under the subheading "Other Matters," do the following paragraphs regarding the Supplemental Information (SI) include the following elements pursuant to AU-C 725.09(a) to (d); AU-C 725.09(e) or (f) or AU-C 725.11?	YES Comments:	NO	N/A	
	.09a The audit was conducted for the purpose of forming opinions on the audits of the schedule of employer allocations and the specified column totals in the schedule of pension amounts by employer;				
	.09b The SI [list schedules] is presented for purposes of additional analysis and is not a required part of the schedule of employer allocations and the specified column totals in the schedule of pension amounts by employer;				
	.09c. The SI is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the schedule of employer allocations and the specified column totals in the schedule of pension amounts by employer; and				
	.09d. The SI has been subjected to the auditing procedures applied in the audit of the schedule of employer allocations and the specified column totals in the schedule of pension amounts by employer and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the schedule of employer allocations and the specified column totals in the schedule of pension amounts by employer or to the schedule of employer allocations and the specified column totals in the schedule of pension amounts by employer themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America.				
	.09e. If the auditor issues an unmodified opinion on the schedule of employer allocations and the specified column totals in the schedule of pension amounts by employer and the auditor has concluded that the SI is fairly stated, in all material respects, in relation to the schedule of employer allocations and the specified column totals in the schedule of pension amounts by employer as a whole, is there a statement that, in the auditor's opinion, the SI [list schedules] is fairly stated, in all material respects, in relation to the schedule of employer allocations and the specified column totals in the schedule of pension amounts by employer as a whole?				

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.09f. & .11 If the auditor issues a qualified, adverse or disclaimer of opinion on the schedule of employer allocations and the specified column totals in the schedule of pension amounts by employer, did the IPA include the applicable statements from AU-C 725.09(f) or 725.11, as applicable?  (9) Is there a paragraph with the subheading "Report on Other Legal and Regulatory Requirements" (or another heading that is appropriate to the content of the section see #10 below Other Reporting Required by Government Auditing Standards), pursuant to AU-C 700.39, A32and .A47.  [The form and content of this section of the auditor's report would vary depending on the nature of the auditor's other reporting responsibilities]  (10) Other Reporting Required by Government Auditing Standards, pursuant to AU-C 700.A47 & .A49, AAG GAS 4.52, AAG GAS example 4-1.  In accordance with Government Auditing Standards, we have also issued our report dated XX/X/X/X on our consideration of (PERA or ERB)'s internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 (PERA or ERB)'s internal control over financial reporting and compliance.  (11) Is there a paragraph with the subheading "Restrictions on Use" after the other matters paragraph that has wording similar to the following?  "Our report is intended solely for the information and use of (PERA, ERB) management, members of the Retirement Board of Public Employees Retirement Association of New Mexico, the New Mexico State Legislature, (PERA, / ERB) employers and their auditors and is not					
Regulatory Requirements" (or another heading that is appropriate to the content of the section see #10 below Other Reporting Required by Government Auditing Standards), pursuant to AU-C 700.39, A32and .A47.  [The form and content of this section of the auditor's report would vary depending on the nature of the auditor's other reporting responsibilities]  (10) Other Reporting Required by Government Auditing Standards, pursuant to AU-C 700.A47 & .A49, AAG GAS 4.52, AAG GAS example 4-1.  In accordance with Government Auditing Standards, we have also issued our report dated XX/XX/XX on our consideration of (PERA or ERB)'s internal control over financial reporting and 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 the effectiveness of 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 (PERA or ERB)'s internal control over financial reporting and compliance.  (11) Is there a paragraph with the subheading "Restrictions on Use" after the other matters paragraph that has wording similar to the following?  "Our report is intended solely for the information and use of (PERA, ERB) management, members of the Retirement Board of Public Employees Retirement Association of New Mexico, the New Mexico		opinion on the schedule of employer allocations and the specified column totals in the schedule of pension amounts by employer, did the IPA include the applicable statements from AU-C 725.09(f) or 725.11, as	Pg. Ref		
depending on the nature of the auditor's other reporting responsibilities]  (10) Other Reporting Required by Government Auditing Standards, pursuant to AU-C 700.A47 & .A49, AAG GAS 4.52, AAG GAS example 4-1.  In accordance with Government Auditing Standards, we have also issued our report dated XX/X/XX on our consideration of (PERA or ERB)'s internal control over financial reporting and 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 the effectiveness of 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 (PERA or ERB)'s internal control over financial reporting and compliance.  (11) Is there a paragraph with the subheading "Restrictions on Use" after the other matters paragraph that has wording similar to the following?  "Our report is intended solely for the information and use of (PERA, ERB) management, members of the Retirement Board of Public Employees Retirement Association of New Mexico, the New Mexico	(9)	<b>Regulatory Requirements"</b> (or another heading that is appropriate to the content of the section see #10 below Other Reporting Required by Government Auditing Standards), pursuant to AU-C 700.39, A32and		NO	N/A
pursuant to AU-C 700.A47 & .A49, AAG GAS 4.52, AAG GAS example 4-1.  In accordance with Government Auditing Standards, we have also issued our report dated XX/XX/XX on our consideration of ( <i>PERA or ERB</i> )'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 the effectiveness of 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 ( <i>PERA or ERB</i> )'s internal control over financial reporting and compliance.  (11) Is there a paragraph with the subheading "Restrictions on Use" after the other matters paragraph that has wording similar to the following?  "Our report is intended solely for the information and use of ( <i>PERA</i> , <i>ERB</i> ) management, members of the Retirement Board of Public Employees Retirement Association of New Mexico, the New Mexico			Pg. Ref		
our report dated XX/XX/XX on our consideration of ( <i>PERA or ERB</i> )'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 the effectiveness of 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 ( <i>PERA or ERB</i> )'s internal control over financial reporting and compliance.  (11) Is there a paragraph with the subheading "Restrictions on Use" after the other matters paragraph that has wording similar to the following?  "Our report is intended solely for the information and use of ( <i>PERA</i> , <i>ERB</i> ) management, members of the Retirement Board of Public Employees Retirement Association of New Mexico, the New Mexico	(10	pursuant to AU-C 700.A47 & .A49, AAG GAS 4.52, AAG GAS		NO	N/A
other matters paragraph that has wording similar to the following?  "Our report is intended solely for the information and use of (PERA, ERB) management, members of the Retirement Board of Public  Employees Retirement Association of New Mexico, the New Mexico		our report dated XX/XX/XX on our consideration of ( <i>PERA or ERB</i> )'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 the effectiveness of 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 ( <i>PERA or ERB</i> )'s internal control over financial reporting	Pg. Ref		
intended to be and should not be used by anyone other than these specified parties.  Pg. Ref	(11	other matters paragraph that has wording similar to the following?  "Our report is intended solely for the information and use of ( <i>PERA</i> , <i>ERB</i> ) management, members of the Retirement Board of Public Employees Retirement Association of New Mexico, the New Mexico State Legislature, ( <i>PERA</i> , / <i>ERB</i> ) employers and their auditors and is not intended to be and should not be used by anyone other than these	Comments:		N/A
AU-C-9805.02 found in AU-C 800 Section		AU-C-9805.02 found in AU-C 800 Section	1 g. Kci		
(12) Does the report include the manual or printed signature of the auditor's firm? AU-C 700.41  YES NO N/A Comments: Pg. Ref	(12		Comments:	NO	N/A
(13) Does the report include the name of the city and state where the auditor practices? (If the information appears in the letterhead, that is sufficient)  AU-C 700.42  YES NO N/A  Comments: Pg. Ref	(13	practices? (If the information appears in the letterhead, that is sufficient)	Comments:	NO	N/A
(14) Does the auditor's report include the date of the auditor's report? AU-C 700.43  YES NO N/A Comments: Pg. Ref	(14		Comments:	NO	N/A
B. Schedules and Contents - (See the report example at AU-C 9805)  See below	B. Sc	hedules and Contents - (See the report example at AU-C 9805)			
(1) Is there a schedule titled "Schedule of Employer Allocations"?  YES NO N/A  Comments: Page Ref:		Is there a schedule titled "Schedule of Employer Allocations"?	YES Comments: Page Ref:		
(a) Does the "Schedule of Employer Allocations" have three columns: YES NO N/A (1) that shows each employer; (2) each employer's actual employer Comments:				NO	N/A

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	contributions; and (3) each employer's allocation percentage based on the contributions shown?	Page Ref:		
(b)	In the column labeled "Actual Employer Contributions" do all the	YES	NO	N/A
(0)	contribution amounts total to the amount shown at the bottom of the	Comments:	1,0	
	column?	Page Ref:		
(c)	In the column labeled "Employer Allocation Percentage" do all the	YES	NO	N/A
(c)	percentages add up to 100%?	Comments:	110	
	percentages and up to 100%?			
(O) T (1	1 11 ('d 160 1 1 1 CD ' A (1 E 1 20	Page Ref:	NO	NT/A
(2) Is the	here a schedule titled "Schedule of Pension Amounts by Employer"?	YES	NO	N/A
		Comments:		
		Pg. Ref		
(a)	Does the first column on the left show each participant employer?	YES	NO	N/A
		Comments:		
		Pg. Ref		
(b)	Is the second column from the left "Net Pension Liability" by	YES	NO	N/A
	employer? And does the total amount of this column equal the total	Comments:		
	net pension liability for the entire plan?	Pg. Ref		
(c)	Do the next five columns show various "Deferred Outflows of	See below	_	
(0)	Resources"?	200 001011		
	(i) "Differences Between Expected and Actual Experience" by	YES	NO	N/A
	employer?	Comments:	110	11//11
	employer:	Pg. Ref		
	(:) (DIA D: C		NO.	NT/A
	(ii) "Net Difference Between Projected and Actual Investment	YES	NO	_ N/A
	Earnings on Pension Plan Investments" by employer?	Comments:		
		Pg. Ref.		
	(iii) "Changes of Assumptions" by employer?	YES	NO	_ N/A
		Comments:		
		Pg. Ref		
	(iv) "Changes in Proportion and Differences Between Employer	YES	NO	_ N/A
	Contributions and Proportionate Share of Contributions" by	Comments:		
	employer?	Pg. Ref	_	
	(v) "Total Deferred Outflows of Resources" by employer?	YES	NO	N/A
		Comments:		
		Pg. Ref		
		1 2. IXCI.		
(d)	Do the next four columns show "Deferred Inflows of Resources" as			
(d)	Do the next four columns show "Deferred Inflows of Resources" as listed below?	See below		
(d)	listed below?	See below	NO	N/A
(d)	listed below? (i) "Differences Between Expected and Actual Experience" by	See below YES	NO	N/A
(d)	listed below?	See below  YES Comments:	NO	N/A
(d)	listed below?  (i) "Differences Between Expected and Actual Experience" by employer?	YESComments:		
(d)	listed below? (i) "Differences Between Expected and Actual Experience" by	YESComments: Pg. RefYES	NO	N/A
(d)	listed below?  (i) "Differences Between Expected and Actual Experience" by employer?	YESComments: Pg. Ref YESComments:		
(d)	listed below?  (i) "Differences Between Expected and Actual Experience" by employer?  (ii) "Changes of Assumptions" by employer?	YESComments: Pg. Ref YESComments: Pg. Ref Pg. Ref	NO	N/A
(d)	listed below?  (i) "Differences Between Expected and Actual Experience" by employer?  (ii) "Changes of Assumptions" by employer?  (iii) "Changes in Proportion and Differences Between Employer	YESComments: Pg. RefYESComments: Pg. RefYESComments: Pg. RefYES		
(d)	listed below?  (i) "Differences Between Expected and Actual Experience" by employer?  (ii) "Changes of Assumptions" by employer?  (iii) "Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions" by	YESComments: Pg. RefYESComments: Pg. RefYESComments: Pg. RefYESComments:	NO	N/A
(d)	listed below?  (i) "Differences Between Expected and Actual Experience" by employer?  (ii) "Changes of Assumptions" by employer?  (iii) "Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions" by employer?	YESComments: Pg. RefYESComments: Pg. RefYESComments: Pg. RefYESComments: Pg. Ref	NO	N/A
(d)	listed below?  (i) "Differences Between Expected and Actual Experience" by employer?  (ii) "Changes of Assumptions" by employer?  (iii) "Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions" by	YESComments: Pg. RefYESComments: Pg. RefYESComments: Pg. RefYESComments:	NO	N/A
(d)	listed below?  (i) "Differences Between Expected and Actual Experience" by employer?  (ii) "Changes of Assumptions" by employer?  (iii) "Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions" by employer?	YESComments: Pg. RefYESComments: Pg. RefYESComments: Pg. RefYESComments: Pg. Ref	NO	N/A
(d)	listed below?  (i) "Differences Between Expected and Actual Experience" by employer?  (ii) "Changes of Assumptions" by employer?  (iii) "Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions" by employer?	YESComments: Pg. Ref	NO	N/A
	listed below?  (i) "Differences Between Expected and Actual Experience" by employer?  (ii) "Changes of Assumptions" by employer?  (iii) "Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions" by employer?  (iv) "Total Deferred Inflows of Resources" by employer?	YESComments: Pg. Ref. YESComments: Pg. Ref. YESComments: Pg. Ref. YESComments: Pg. Ref. YESComments:	NO	N/A
	listed below?  (i) "Differences Between Expected and Actual Experience" by employer?  (ii) "Changes of Assumptions" by employer?  (iii) "Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions" by employer?  (iv) "Total Deferred Inflows of Resources" by employer?  Does the "Schedule of Pension Amounts by Employer" include a	YESComments: Pg. Ref	NO	N/A
	listed below?  (i) "Differences Between Expected and Actual Experience" by employer?  (ii) "Changes of Assumptions" by employer?  (iii) "Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions" by employer?  (iv) "Total Deferred Inflows of Resources" by employer?  Does the "Schedule of Pension Amounts by Employer" include a section labeled "Pension Expense" consisting of the following three	YESComments: Pg. Ref	NO	N/A
	listed below?  (i) "Differences Between Expected and Actual Experience" by employer?  (ii) "Changes of Assumptions" by employer?  (iii) "Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions" by employer?  (iv) "Total Deferred Inflows of Resources" by employer?  Does the "Schedule of Pension Amounts by Employer" include a section labeled "Pension Expense" consisting of the following three columns?"	See below  YES Comments: Pg. Ref. YES Comments: Pg. Ref. YES Comments: Pg. Ref. YES Comments: Pg. Ref. YES See below	NO NO	N/A N/A
	listed below?  (i) "Differences Between Expected and Actual Experience" by employer?  (ii) "Changes of Assumptions" by employer?  (iii) "Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions" by employer?  (iv) "Total Deferred Inflows of Resources" by employer?  Does the "Schedule of Pension Amounts by Employer" include a section labeled "Pension Expense" consisting of the following three	YESComments: Pg. Ref	NO	N/A

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	T		
(ii) "Net Amortization of Deferred Amounts from Changes in	YES	NO	N/A
Proportion and Differences Between Contributions and	Comments:		
Proportionate Share of Contributions" by employer?			
	Page Ref:		
(iii) "Total Pension Expense" by employer?	YES	NO	N/A
	Comments:		
	Page Ref:		
(f) Does each column described in (b) through (e) above show a total	YES	NO	N/A
amount at the bottom of each column for all the employers?	Comments:		
	Page Ref:		
(g) Do the amounts shown in the columns add down and across? (test a	YES	NO	N/A
few columns and rows)	Comments:		
,	Page Ref:		
(3) Test the amortization amounts to be sure that they total to the sum of the	YES	NO	N/A
current year additions to the deferred outflow and deferred inflow of	Comments:	1,0	1 1/1 2
resources that will be amortized in the future.	Page Ref:		
(4) Is there a schedule presenting the following pursuant to GASBS	See below		
68.80(i)?	See below		
(a) For each subsequent five years, and in the aggregate thereafter,	YES	NO	N/A
the net amount of the employer's balances of deferred outflows	Comments:	NO	N/A
of resources and deferred inflows of resources in GASBS 68.80	Comments.		
	Dans Dafe		
subparagraph (h) that will be recognized in the employer's	Page Ref:	<del></del>	
pension liability?	C - 1 -1		
C. Additional Required Information for Participant Employers  (1) For each participating employer, is the employer's proportionate share	See below YES	NO	N/A
[ [ ] For each participating employer is the employer's proportionate share			IN / A
		110	1 1/7 1
disclosed of the collective net pension liability calculated using (a) a	Comments:	110	14/11
disclosed of the collective net pension liability calculated using (a) a discount rate that is 1 –percentage-point higher; and (b) a discount rate that	Comments:	110	17/11
disclosed of the collective net pension liability calculated using (a) a discount rate that is 1 –percentage-point higher; and (b) a discount rate that is 1-percentage-point lower? (GASBS 68.78(g))	Comments: Page Ref:		
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#### **Independent Auditor's Report**

YES	NO	N/A
Comments:		

[Appropriate Addressee]

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 schedule of employer allocations and the specified column totals in the schedule of pension amounts by employer of (*PERA or ERB*) as of and for the year ended June 30, 20XX, and the related notes and have issued our report thereon dated month day, 20XX.

#### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the schedules of employer allocations and the specified column totals in the schedule of pension amounts by employer, we considered (*PERA or ERB*)'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the schedule of employer allocations and the specified column totals in the schedule of pension amounts by employer, but not for the purpose of expressing an opinion on the effectiveness of (*PERA or ERB*)'s internal control. Accordingly, we do not express an opinion on the effectiveness of (*PERA or ERB*)'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's schedule of employer allocations and the specified column totals in the schedule of pension amounts by employer will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether (*PERA or ERB*)'s the schedule of employer allocations and the specified column totals in the schedule of pension amounts by employer are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of the schedule of employer allocations and the specified column totals in the schedule of pension amounts by employer amounts. However, providing an opinion on compliance with those provisions was not an objective of our

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audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are	
required to be reported under Government Auditing Standards.	
Purpose of this Report	
The purpose of this report is solely to describe the scope of our testing of	
internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on	
compliance. This report is an integral part of an audit performed in	
accordance with Government Auditing Standards in considering the	
entity's internal control and compliance. Accordingly, this communication	
is not suitable for any other purpose.	
[Auditor's signature]	
[Auditor's city and state]	Page Ref:
[Date of the auditor's report]	
F. Exit Conference	See below
(1) Are the date of the exit conference and the names and titles of those in	YES NO N/A
attendance at the exit conference listed on the last page of the audit report?	Comments:
(Section 2.2.2.10(M)(1) NMAC)	Page Ref:
(2) If a quorum of a public body subject to the Open Meetings Act was present	YES NO N/A
at the exit conference, was the exit conference held in a closed meeting to	Comments:
preserve the confidentiality of the information? If so, the disclosure should state that it was held in a closed session. If not, is there a related finding for	
noncompliance with the Open Meetings Act? (Section 2.2.2.10(M)(1-3)	
NMAC)	Page Ref:

**Note:** When this review guide is used by PERA or ERB's audit firm, it should be completed and signed by the audit manager or the audit firm employee in charge of the firm's quality control system and the concurring reviewer by the outside IPA firm.

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I hereby certify that the employer allocations of PERA or ERB's Pension Plan and related notes were presented in accordance with applicable auditing, accounting and financial reporting standards, and 2.2.2 NMAC. I also certify that all of the questions noted above were answered correctly, page numbers were properly referenced for all "yes" answers, and all answers were fully explained or corrected.

<u>IPA:</u>	
Print Name	Title
Signature	 Date

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