

**From:** [Peery-Galon, Renada, ERB](#)  
**To:** [Christopher Hall](#)  
**Subject:** RE: [EXTERNAL] RE: 2024 State Audit Rule Changes  
**Date:** Thursday, February 15, 2024 11:33:27 AM  
**Attachments:** [image002.png](#)  
[2.2.2 NMAC Requirements for Contracting and Conducting Audits of Agencies.pdf](#)

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Good morning Christopher,

The proposed change is to 2.2.2.10. Y. GASB 68, accounting and financial reporting for pensions (1) (f).

With markups:

(f) PERA and ERB shall each prepare an employer guide that illustrates **the use of their respective schedule of employer allocations report to create journal entries generally required by GASBS 68.**~~the correct use of their respective schedule of employer allocations report by their participant employers. The guides shall explicitly distinguish between the plan-level reporting and any employer-specific items.~~ The calculations ~~and record-keeping necessary~~ at the employer level (for adjusting journal entries, amortization of deferred amounts, etc.) shall be described and illustrated. The employer guides shall be made available to the participant employers by June 30 of the subsequent fiscal **year**. Stand-alone state agency financial statements that exclude the proportionate share of the collective net pension liability of the state of New Mexico shall include note disclosure referring the reader to the statewide comprehensive annual financial report for the state's net pension liability and other pension-related information.

Without markups:

(f) PERA and ERB shall each prepare an employer guide that illustrates the use of their respective schedule of employer allocations report to create journal entries generally required by GASBS 68. The calculations at the employer level (for adjusting journal entries, amortization of deferred amounts, etc.) shall be described and illustrated. The employer guides shall be made available to the participant employers by June 30 of the subsequent fiscal year. Stand-alone state agency financial statements that exclude the proportionate share of the collective net pension liability of the state of New Mexico shall include note disclosure referring the reader to the statewide comprehensive annual financial report for the state's net pension liability and other pension-related information.

This part of State Audit Rule was put in place at the implementation of GASB 68 in 2015. We are now 9 audit years into GASB 68, and the employer guide is mainly utilized for creating journal entries required by GASB 68. I worked with PERA on the proposed changes, and I know that they also want to request these changes to State Audit Rule. Should I let Lynette Kennard, PERA CFO, know to submit the proposed State Audit Rule changes to you?

Thank you for your assistance!