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Joseph M. Maestas, PE, CFE
State Auditor
NM Office of the State Auditor

Via email: rulechange@osa.nm.gov and Bernadet.Martinez@osa.nm.gov

Dear Auditor Maestas:

We submit this comment in response to the proposed amendments to the New Mexico State Audit Rule concerning the presentation of budgetary comparison schedules under Sections 2.2.2.10(A) and 2.2.2.10(Q). As drafted, the proposal would require budgetary comparison schedules to be presented as supplementary information (SI), rather than as required supplementary information (RSI) or as part of the basic financial statements, as previously permitted under applicable standards. This approach is inconsistent with the intent and framework established by GASB Statement No. 103, which requires budgetary comparison schedules for the general fund and major special revenue funds to be presented as RSI. Eliminating the option to present these schedules in a manner consistent with GASB guidance represents an unnecessary departure from established standards.

Reclassifying these schedules as SI also introduces practical reporting and audit challenges. Specifically, removing the schedules from RSI while presenting them as SI may require auditors to reference omitted RSI in their reports while simultaneously addressing SI within the audit opinion. This could result in more complex and potentially confusing audit report language.

Accordingly, we recommend that the Audit Rule be aligned with GASB Statement No. 103 with respect to the presentation of budgetary comparison schedules.

Sincerely,

CliftonLarsonAllen LLP

A handwritten signature in blue ink that reads "Laura Beltran-Schmitz".

Laura Beltran-Schmitz
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