MEMORANDUM #BFB-17-02

TO: New Mexico Counties and Municipalities

FROM: Rick Lopez, Director
Local Government Division

DATE: October 12, 2016

SUBJECT: Financial Reports

Section 6-6-2F NMSA 1978 requires the Department of Finance and Administration (DFA), Local Government Division (LGD) to require periodic financial reports, at least quarterly, of local public bodies and Section 6-6-2G NMSA 1978 requires LGD to notify the secretary of DFA if a municipality or county has failed to submit two consecutive financial reports required by Sec 6-6-2F. Furthermore, Section 6-6-2K NMSA 1978 allows LGD to prescribe the form for all budgets, books, records accounts for local public bodies. Therefore, we are requesting the following:

NEW Required Supplemental Form:

Effective immediately, the “Financial Report Adjustment Schedule” is a required document to be included in all financial report submission. If the “Adjustment” column is utilized within the report’s recap page, this supporting schedule must be filled out. Please note that a detailed explanation should collate with each type of adjustment and if the adjustment amount listed on the recap is a total of various adjustments, each sub-total must be broken out with its own explanation.

This new supplemental form is attached and can also be found on our webpage:
http://www.nm DFA.state.nm.us/bfb-forms.aspx

DEADLINES:

Financial reports are due 30 days after the reporting period ends. In the case of quarterly reports, the 1st quarter report is due October 30th, 2nd quarter – January 31st, 3rd quarter – April 30th and 4th quarter – July 31st. Monthly reporting will follow the same process.
PLEASE NOTE:

In efforts to standardize the management of the required financial reports, LGD hereby notifies of the following LGD procedures on late reporting notifications:

- Email notification to local financial contact—1 day after report due
- Letter notification to Mayor/Chair/Managers (cc:ing the State Auditor's Office)—1 week after report due

PLEASE NOTE: these notifications will occur regardless of pre-deadline extension requests, valid excuse for such occurrences, etc.

REVIEW RESULTS:

Following analysts review of the financial reports the following LGD procedures will occur:

Email notification including review checklist to local financial contact—after finalization of report review—ALL ENTITIES WILL RECEIVE WITH EVERY REVIEW

Letter notification to Mayor/Chair/Managers (cc:ing the State Auditor's Office)—if analyst deems the report of concern (continually errors or serious issues present) – ENTITY SPECIFIC

If you have any questions, contact your budget analyst or call the main number at (505)827-4975.

xc: BFB Analysts
Sanjay Bhakta, Deputy State Auditor
Bill Fulginiti, NMML Executive Director
Steve Kopelman, NMAC Executive Director