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TO: Chief Financial Officers, State Agencies & Component Units of the State of New Mexico

FROM: Mark Melhoff, *Acting State Controller*

DATE: October 3, 2025

SUBJECT: FY2025 Annual Comprehensive Financial Report (ACFR) Packets

The Department of Finance and Administration (DFA) is aware of the recent update from the Office of the State Auditor regarding the delays in releasing the 2025 OMB Compliance Supplement and the additional time required for audits involving a Federal Single Audit. While DFA appreciates these extensions, we also want to clarify our expectations for the upcoming Annual Comprehensive Financial Report (ACFR) packets.

All agencies are required to submit their financial statements, draft notes, and ACFR documentation to DFA by the original deadline specified in the annual closing instructions, in accordance with NMSA 1978, § 6-5-4.1, the Audit Rule (2.2.2 NMAC), and DFA's Year-End Closing Instructions (GLR 5 and Attachment M).

In line with the State Auditor's extension, DFA will permit agencies to exclude Single Audit reports and federal reporting components from their initial ACFR packet submissions. These items can follow the revised deadlines set by the State Auditor's Office once the final compliance supplement is issued.

Submitting financial statements and schedules on time is crucial to:

- Enable DFA to start compiling the State's ACFR in accordance with statute and rule.
- Maintain New Mexico's strong bond ratings through prompt and precise financial reporting.
- Provide precise and comprehensive revenue and expenditure figures for the 2026 Legislative Session starting in January.

Agencies are expected to follow:

- DFA Closing Instructions for FY2025 (GLR 5 and Attachment M).
- The Manual of Model Accounting Practices (FY2026).

- New Mexico Statutes (NMSA 1978, §§ 6-5-1 through 6-5-6).
- The State Audit Rule (2.2.2 NMAC).
- Federal Uniform Guidance (2 CFR Part 200).

Please ensure that your agency's accounting and financial reporting staff are prepared to meet these requirements. If you have any questions about submitting the packet, feel free to contact the DFA Financial Control Division's ACFR Unit for assistance.

We appreciate your cooperation in fulfilling these statutory obligations and in helping to maintain New Mexico's fiscal strength and transparency.

Regards,



Mark Melhoff
Acting State Controller