

New Mexico Department of Game and Fish

Fiscal Year 2025 Audit Presentation

March 20, 2026

Agenda

- Audit scope and process
- Audit opinions and results
- Schedule of Findings and Questioned Costs
- Governance Communications
- Upcoming GASB Standards

Audit Scope



Report on the Department's financial statements



Internal control communications



Required governance communications



Report on the Department's compliance over major federal programs (federal awards)



Report on internal control over financial reporting and on compliance

Audit Process

RISK-BASED
APPROACH

Internal controls

Revenue recognition

Significant estimates

Cash and
Investments

Capital Assets

Payables and related
expenditures

Leases and SBITAs

Single Audit



AUDIT OPINIONS

Financial statement

Financial statement audit opinion is **unmodified**.

Federal awards

Federal awards audit opinion is **unmodified**.



AUDIT RESULTS

Financial statement

No material weaknesses noted.
One significant deficiency noted.

Federal awards

No material weaknesses noted.
Two significant deficiencies noted.



Schedule of Findings and Questioned Costs

Topic	Communication
Financial Statement Findings 2025 – 001 Accounts Payable – Significant Deficiency	<ul style="list-style-type: none">• During our search for unrecorded liabilities, we noted that the Department did not record expenditures nor the related liability for services rendered in the fiscal year 2025, amounting to approximately \$112,492. An entry was proposed and posted to record the expenditures and the related liability.

Schedule of Findings and Questioned Costs (Continued)

Topic	Communication
Major Federal Programs 2025 – 002 Allowable Activities and Costs – Payroll Disbursements – Significant Deficiency and Other Matters	<ul style="list-style-type: none">• We noted that the Department did not allocate leave to grants in accordance with the time and effort employees spent on the grants. During our testing of twenty payroll disbursements, we noted that the Department had a net undercharge of \$887 to eight grants.
2025 – 003 Allowable Activities and Costs – Cash Disbursements – Significant Deficiency and Other Matters	<ul style="list-style-type: none">• The Department processed a travel reimbursement twice, resulting in a duplicate payment of \$225 to the employee. The employee reimbursed the Department for this duplicate payment. However, the Department did not adjust its reimbursement request to reflect the credit in the financial records.

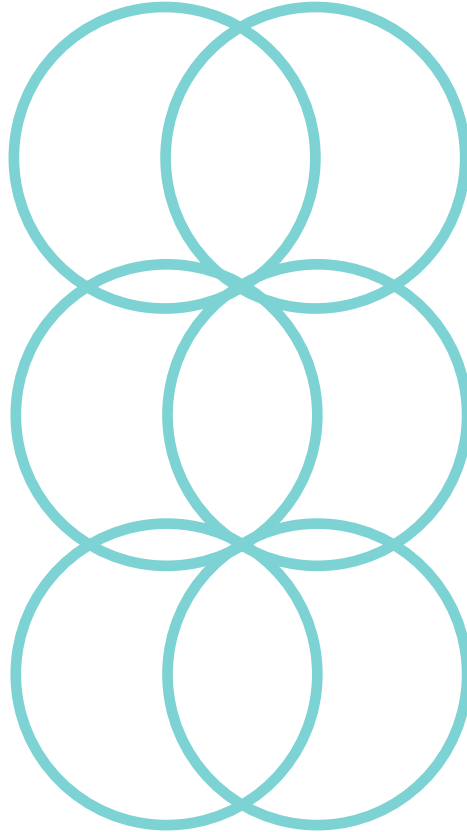
Governance Communications

Overall

- Auditors Responsibility under general accepted audit standards
- Auditors Responsibility for the audit of compliance
- Reasonable, but not absolute, assurance
- No changes from planned scope
- Split issuance of the financial and single audit reports
- Adoption of GASB 101 – Compensated Absences – Restatement to beginning net position of (1,933,471)

Difficulties

- No difficulties
- No disagreements with management
- No management consultations with other accounting firms



Estimates

- Significant estimates include: depreciation, lease asset and liability, and compensated absences
- No management bias indicated
- Reasonable
- Uncertainty is disclosed in the financial statements

Other

- Accounting policies outlined in Note 2 to the financial statements
- No financial statements deemed particularly sensitive
- No audit adjustments
- No passed adjustments



Upcoming GASB Standards



GASB 103 Financial Reporting Model Improvements

CLA can help by assisting with or evaluating financial statement presentation and disclosure updates



Effective date
June 30, 2026



Impacts financial statement presentation

Updated disclosure guidance for:

- MD&A consistency
- Clearer definition of unusual or infrequent items
- Presentation of proprietary fund statements
- Major component unit information
- Budgetary comparison information



GASB 104 – Disclosure of Certain Capital Assets



Effective date
June 30, 2026



Will clarify how capital assets are disclosed in financials:

- Capital assets held for sale and related pledged debt
- Leased assets
- Subscription assets
- Right to Use PPP assets
- Other intangible assets



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statement disclosure
updates





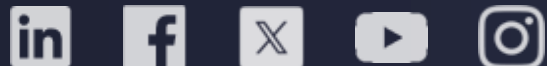
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