



Northern New Mexico College & Foundation
Communication with Board of Regents
June 30, 2024



www.tkm.cpa



(505) 822 5100



(505) 822 5106



6747 Academy Road NE, STE A, Albuquerque, NM 87109

Your TKM Audit Team

- Daniel Trujillo, CPA, CFE, CGFM, CGMA– Managing Partner
- Mark Santiago, CPA – Audit Manager
- Joe Ortiz, CPA – Audit Manager
- Shi (Richard) Lu, CPA – Senior Auditor
- Saudy Moreno Esparza – Senior Auditor
- Ramon Calasagsag – Senior Auditor

Auditors' Responsibility Under U.S. Generally Accepted Auditing Standards, Yellow Book Audit & Single Audit

- Form and express an opinion on the financial statements and compliance with major federal programs
 - Reasonable Assurance
- Communicate significant matters related to the audit
- Communicate particular matters required by law & regulation
- Consideration of materiality
- Maintaining auditors' independence
- Management assumes responsibility

Management's Responsibility

- Design, implement, establish, and maintain effective internal controls over financial statements and compliance with grants, contracts, laws, and regulations.
- Preparation of U.S. Generally Accepted Accounting Standard Financial Statements
- Compliance with applicable laws and regulation and the provisions of contracts and grant agreements

Corrected Misstatements

- Management corrected a \$284,145 error related to the over accrual of its payroll liability at June 30, 2023, and related expenses for the year then ended. No entries were required as a result of our audit procedures.

Uncorrected Misstatements

- There were no uncorrected misstatements identified by management nor did we identify any during our audit procedures.

Disagreements with Management

- No disagreements arose during the audit as it relates to a financial accounting, reporting, or auditing matters.

Significant Issues Discussed with Management Prior to Retention

- None

Difficulties Encountered in Performing Audit

- We encountered no difficulties in dealing with management in performing and completing our audit.

Consultation with Other Accountants

- Management engaged with REDW to assist with the reconciliation of the general ledger and related schedules.
- No consultations related to audit results

Significant Accounting Estimates

- Allowance for doubtful accounts
- Estimated useful lives of capital assets
- Net pension and OPEB liabilities and related deferred inflows and outflows
- Lease and subscription inputs
- Fair Value of Investments

Financial Statement Disclosures

- The financial statement disclosures are neutral, consistent, and clear
- Significant disclosures include:
 - Accounts Receivables
 - Capital Assets
 - Lease & Subscription disclosures
 - Net Pension Liability & Net OPEB Liability
 - Investments (Foundation)

Accounting Policies

- The College adopted and implemented the following accounting policies during fiscal year 2024:
 - GASB Implementation Guide No. 2021-1 (Bulk Purchases).
 - GASB Statement No. 100, Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62

Opinions

- Reasonable Assurance

- College
 - Financial Statements – Unmodified Opinion
 - Single Audit – Unmodified Opinion

- Foundation
 - Financial Statements – Unmodified Opinion
 - Single Audit – N/A

College Findings

- New Finding
 - 2024-001 – Improper Accrual of Payroll Expenses (Material Weakness)

- Prior Year Findings
 - Five (5) prior year findings were resolved:
 - 2023-001 (2021-003) – Trial Balance Maintenance and Account Reconciliation
 - 2023-002 (2022-012) – Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Period of Performance – Payroll
 - 2023-003 (2022-013) – Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Period of Performance – Payroll
 - 2023-004 – Special Tests and Provisions – Gramm-Leach-Bliley Act – Student Information Security
 - 2023-005 (2022-014) – Late Audit Report

Foundation Findings

- No New Findings

- Prior Year Findings
 - One (1) prior year finding was resolved:
 - 2023-006 (2022-022) – Late Audit Report

Resolved Findings

The College and its component unit had a total of six (6) findings for FY2023. For the year ended June 30, 2024, the College and Foundation were able to resolve all six (6) of those findings and only had one (1) new finding for FY2024.

- FY2023 = 6 Findings
- FY2024 = 1 Finding

Audit Completion

- Report Date: October 28, 2024
- Received OSA Review Notes Communication: November 27, 2024
- Received Release Letter: December 12, 2024
- Federal Audit Clearing House: January 3, 2025 (on time)



Thank You, NNMC!!!

