

# **Ninth Judicial District Attorney**

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**Financial Statements  
For the Year Ended June 30, 2019**





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<b>Name</b>	<b>Title</b>
Andrea Reeb	District Attorney
Brian Stover	Chief Deputy District Attorney
Jake Boazman	Deputy District Attorney
Steve North	Chief Financial Officer
Dennis Usery	Information Systems Manager

## INDEPENDENT AUDITOR'S REPORT

Ms. Andrea Reeb , District Attorney  
Ninth Judicial District Attorney  
Clovis, New Mexico  
and  
Mr. Brian Colon, New Mexico State Auditor  
Office of the State Auditor  
Santa Fe, New Mexico

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the budgetary comparisons for the general fund and major special revenue fund of the State of New Mexico Office of the Ninth Judicial District Attorney (Office), as of and for the year ended June 30, 2019, and the related notes to the financial statements which collectively comprise the Office's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

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An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Office, as of June 30, 2019, and the respective changes in financial position and the respective budgetary comparisons for the general fund and major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in Note 1, the financial statements of the Office are intended to present the financial position and changes in financial position, of only that portion of the governmental activities, each major fund and the aggregate remaining fund information of the State of New Mexico that is attributed to the transactions of the Ninth Judicial District Attorney. They do not purport to, and do not, present fairly the financial position of the State of New Mexico as of June 30, 2019 and the changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to the matter.

### **Other Matters**

#### *Required Supplementary Information*

The Office has omitted Management's Discussion and Analysis which is required to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the office's financial statements, the individual fund financial statements, and the budgetary comparisons. The additional schedules listed as "supplementary information" in the table of contents, which includes schedules required by 2.2.2.NMAC, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The additional schedules listed as "supplementary information" in the table of contents, which includes schedules required by 2.2.2. NMAC, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financials statement themselves, and other additional procedures in accordance with auditing

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standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated September 25, 2019 on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Office's internal control over financial reporting and compliance.

*Zlotnick, Laws & Sandoval, P.C.*

Zlotnick, Laws & Sandoval, P.C.

Santa Fe, New Mexico

September 25, 2019



	<u>Governmental Activities</u>
<b>Assets</b>	
Current Assets	
Cash	\$ 100
State General Fund Investment Pool	277,214
Travel Advance	204
Total Current Assets	<u>277,518</u>
 Capital assets, net	 <u>76,032</u>
 <b>Total Assets</b>	 <b><u>\$ 353,550</u></b>
 <b>Liabilities</b>	
Current Liabilities	
Due to State General Fund	\$ 240
Accounts payable	15,978
Payroll benefits payable	39,872
Payroll taxes payable	22,979
Accrued payroll	60,349
Compensated absences - short-term	103,173
Total Current Liabilities	<u>242,591</u>
 Compensated absences - long-term	 <u>24,657</u>
 <b>Total Liabilities</b>	 <b><u>267,248</u></b>
 <b>Net Position</b>	
Net investment in capital assets	76,032
Unrestricted	10,270
Total Net Position	<u>86,302</u>
 <b>Total Liabilities and Net Position</b>	 <b><u>\$ 353,550</u></b>

*The accompanying notes are an integral part of these financial statements*



	<u>Governmental Activities</u>
<b>Expenses</b>	
Public Safety	
Personal services and employee benefits	\$ 3,048,480
Contractual services	12,500
Other	267,579
Depreciation	<u>32,110</u>
Total Program Expenses	3,360,669
<b>Revenue</b>	
Program Revenue	
Federal grants	<u>-</u>
Net Program Expenses	<u>(3,360,669)</u>
General Revenues and Transfers	
State General Fund appropriation	3,431,200
Reversion	<u>(99,397)</u>
	<u>3,331,803</u>
Change in Net Position	(28,866)
Net Position, beginning	<u>115,168</u>
Net Position, ending	<u>\$ 86,302</u>

*The accompanying notes are an integral part of these financial statements*





**Balance Sheet – Governmental Funds  
For the Year Ended June 30, 2019**

	Major Funds			Total Governmental Funds
	16300 General Fund	93100 Capital Outlay Fund	94200 Victim's Assistance Fund	
<b>Assets</b>				
Cash	\$ 100	-	-	\$ 100
State General Fund Investment Pool	142,018	90,000	45,196	277,214
Travel Advance	204			204
<b>Total Assets</b>	<u>\$ 142,322</u>	<u>90,000</u>	<u>45,196</u>	<u>\$ 277,518</u>
<b>Liabilities</b>				
Due to state general fund	\$ 240	-	-	\$ 240
Accounts payable	15,978	-	-	15,978
Payroll benefits payable	39,872	-	-	39,872
Payroll taxes payable	22,979	-	-	22,979
Accrued payroll	60,349	-	-	60,349
<b>Current Liabilities</b>	<u>139,418</u>	<u>-</u>	<u>-</u>	<u>139,418</u>
<b>Fund Balance</b>				
Unassigned	(326)	-	-	(326)
Assigned to FY20 Budget	3,230	90,000	45,196	138,426
<b>Total Fund Balance</b>	<u>2,904</u>	<u>90,000</u>	<u>45,196</u>	<u>138,100</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 142,322</u>	<u>90,000</u>	<u>45,196</u>	<u>\$ 277,518</u>

**Reconciliation of the Governmental Fund Balance to the Government-Wide Statement of Net Position:**

Total fund balance governmental funds	\$ 138,100
Capital assets (net of depreciation) used in governmental activities are not financial resources and, therefore, are not reported in the funds	76,032
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds	<u>(127,830)</u>
Net position of governmental activities	<u>\$ 86,302</u>

*The accompanying notes are an integral part of these financial statements*



**Statement of Revenues, Expenditures and  
Changes in Fund Balance – Governmental Funds  
For the Year Ended June 30, 2019**

	Major Funds			Total Governmental Funds
	16300 General Fund	93100 Capital Outlay Fund	94200 Victim's Assistance Fund	
<b>Revenue</b>				
Federal grants	\$ -	-	-	\$ -
Total Revenue	-	-	-	-
<b>Expenditures</b>				
Personal services and benefits	3,033,813	-	-	3,033,813
Contractual services	12,500	-	-	12,500
Other costs	252,483	-	15,096	267,579
Capital outlay	39,777	-	-	39,777
Total Expenditures	3,338,573	-	15,096	3,353,669
Excess (Deficiency) of revenues over expenditures	(3,338,573)	-	(15,096)	(3,353,669)
<b>Other Financing Sources (Uses)</b>				
State general fund appropriations	3,178,400	90,000	-	3,268,400
Other financing sources	162,800	0	-	162,800
Reversion to State General Fund FY2019	(99,397)	-	-	(99,397)
Total Other Financing Sources (Uses)	3,241,803	90,000	-	3,331,803
Net change in Fund Balance	(96,770)	90,000	(15,096)	(21,866)
Fund Balance, beginning	99,674	0	60,292	159,966
Fund Balance, ending	\$ 2,904	90,000	45,196	\$ 138,100

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Government-Wide Statement of Activities:**

Net change fund balance in governmental funds \$ (21,866)

Certain outlays are reported as expenditures in governmental funds. However, in the statement of activities, these costs are expensed as they are consumed or are allocated over their estimated useful lives. In the current period these amounts are:

Capital Outlay	39,777
Depreciation Expense	(32,110)

Expenses recognized in the Statement of Activities, not reported in the funds:

Change in compensated absences	<u>(14,667)</u>
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Change in net position - governmental activities	<u>\$ (28,866)</u>
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*The accompanying notes are an integral part of these financial statements*



**Statement of Revenues, Expenditures and  
Changes in Fund Balance Budget and Actual  
(Budgetary Basis) – General Fund 16300  
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
State General Fund appropriations	\$ 3,178,400	3,178,400	3,178,400	\$ -
Other financing sources	162,800	162,800	162,800	-
Program Revenue	-	-	-	-
Total Revenues	<u>3,341,200</u>	<u>3,341,200</u>	<u>3,341,200</u>	<u>\$ -</u>
Fund Balance	<u>100,000</u>	<u>100,000</u>		
	<u>\$ 3,441,200</u>	<u>3,441,200</u>		
<b>EXPENDITURES</b>				
Personnel services & employee benefits	\$ 3,136,500	3,044,500	3,033,813	\$ 10,687
Contractual services	21,800	12,500	12,500	-
Other costs	282,900	384,200	292,260	91,940
Total Expenditures	<u>\$ 3,441,200</u>	<u>3,441,200</u>	<u>3,338,573</u>	<u>\$ 102,627</u>

*The accompanying notes are an integral part of these financial statements*



**Statement of Revenues, Expenditures and  
Changes in Fund Balance Budget and Actual  
(Budgetary Basis) – Victim’s Assistance Fund 94200  
For the Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>(Budgetary</u>	<u>Positive</u>
			<u>Basis)</u>	<u>(Negative)</u>
<b>REVENUES</b>				
State General Fund appropriations	\$ -	-	-	\$ -
Other financing sources	-	-	-	-
Program Revenue	-	-	-	-
Total Revenues	-	-	-	\$ -
Fund Balance	65,622	65,622		
	<u>\$ 65,622</u>	<u>65,622</u>		
<b>EXPENDITURES</b>				
Personnel services & employee benefits	\$ -	-	-	\$ -
Contractual services	-	-	-	-
Other costs	65,622	65,622	15,096	50,526
Total Expenditures	<u>\$ 65,622</u>	<u>65,622</u>	<u>15,096</u>	<u>\$ 50,526</u>

*The accompanying notes are an integral part of these financial statements*



**NATURE OF BUSINESS AND REPORTING ENTITY**

The Ninth Judicial District Attorney (the Office) is an elective office established by the Constitution of the State of New Mexico, Article VI, Section 24. The District Attorney is elected to a four-year term. Functions of the Office are defined in Section 36-1-1 through 36-1-26 NMSA 1978 as amended. The Office serves all of Curry and Roosevelt Counties. It is the duty of the Office to prosecute and defend for the state in all courts of record of the counties of the district, all cases, criminal and civil, in which the state or any county in the district may be a party or may be interested. The Office also fulfills various other duties as called upon by statute. Section 36-1A-1 through Section 36-1A-15 cited as the “District Attorney’s Personnel and Compensation Act” established for all District Attorneys a uniform equitable and binding system of personnel administration.

The District Attorney’s basic financial statements include all activities and accounts of the District Attorney’s “financial reporting entity.” The financial reporting entity consists of the primary government, and any other organization for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization’s governing body, and either is able to impose its will on that organization, or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens, on the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization, if it can significantly influence the programs, projects, activities, or level of services performed or provided by the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization’s resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization.

The Ninth Judicial District Attorney has no component units.

The Ninth Judicial District Attorney is a part of the Judicial Branch of the State of New Mexico. These financial statements include only those funds and activities over which the Ninth Judicial District Attorney has oversight responsibility. The Ninth Judicial District Attorney is not included in any other government “reporting entity” as described in Section 2100, “Codification of Governmental Accounting and Financial Reporting Standards.”



## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **A. Basic Financial Statements**

The financial statements of the Office have been prepared in conformity with accounting principles generally accepted (GAAP) in the United States of America as applied to governmental units. The Governmental Account Standards Board (GASB) is the accepted Standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of the Office's accounting policies are described below.

The government-wide financial statements (i.e., the statement of net position and the statement of activities and changes in net position) report information on all non-fiduciary activities of the primary government. For the most part, the effect of inter fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The District Attorney does not have any business-type activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function, or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The government-wide focus is more on the sustainability of the Office as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The fund financial statements differ from the government-wide financial statements. The focus of fund financial statements is on the major governmental funds.

The governmental fund statements are presented on a current financial resource and modified accrual basis of accounting. This presentation is deemed appropriate to (a) demonstrate legal compliance, (b) demonstrate the source and use of liquid resources, and (c) demonstrate how the Office's actual experience conforms to the budget or fiscal plan. Since the governmental fund statements are presented on a different focus and basis of accounting than the government-wide statements' governmental column, a reconciliation accompanies each statement, which briefly explains the adjustment necessary to transform the fund based financial statements to the governmental column on the government-wide presentation.



**B. Basis of Presentation**

The financial transactions of the Office are maintained on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, fund balance, revenues, expenditures and other financing sources or uses.

Government resources are allocated to, and accounted for, in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type and reported by generic classification in the accompanying financial statements.

The reporting model, GASB Statement No. 34, sets forth minimum criteria for the determination of major funds based on a percentage of the assets, liabilities, revenues or expenditures. The general fund is always considered a major fund. The Office has elected to consider all special revenue funds as major funds regardless of size. Major individual governmental funds are reported as separate columns in the fund financial statements.

The following are the Office's major funds:

**Governmental Funds:**

**General Fund (16300)** – The general fund is the operating fund of the Office. It is used to account for all financial resources except those required to be accounted for in another fund. All appropriations received in this fund are revertible funds if not expended in the appropriate time frame.

The Office receives all State of New Mexico appropriations in their General Fund. The Office's Special Revenue Funds, as noted below, receive funds from various grants and contracts.

**Capital Outlay (93100)** – The Capital Outlay fund was created by DFA to account for the appropriation and expenditure of special appropriations with multi-year availability. The authority for the creation and maintenance of the fund is the requirement of DFA to separate multi-year capital outlay appropriations into a special revenue fund. The only money currently in the fund is an appropriation under Laws of 2019, Chapter 277, Section 25 to purchase and equip vehicles and to purchase, install and improve information technology, including related equipment, furniture and infrastructure. This appropriation is available until June 30, 2023, at which time any unspent amount will revert to the State of New Mexico.

**Victims' Assistance Program Fund (94200)** – The Victims' Assistance fund was created to account for the grant proceeds from the Victims of Crime Act (VOCA) and a Southwest Border grant to provide assistance to victims of crime. The authority for the creation and maintenance of the fund is the requirement of the state of New Mexico Crime Victims Reparation Commission to maintain a separate fund. The only money currently in the fund is the remainder of the Southwest Border grant that has not been used to this point. The fund balance will not revert to the state of New Mexico's general fund, as the source of revenues is the federal government.



### **C. Basis of Accounting**

Basis of accounting refers to the point at which revenues or expenditures or expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide and the fiduciary financial statements are presented on an accrual basis of accounting. The governmental funds in the fund financial statements are presented on a modified accrual basis.

The statement of net position and the statement of activities are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. By definition the resources of fiduciary funds are not available to support the Office's programs. Therefore, fiduciary funds are excluded from the government-wide financial statements.

All governmental funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which is considered to be within sixty days of year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

In applying the "susceptible to accrual" concept to intergovernmental revenues the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenues when the applicable eligibility requirements including time requirements, are met. Resources transmitted before the eligibility requirements are met, under most circumstances, should be reported as advances by the provider and deferred revenue by the recipient.

As a general rule, the effect of interfund activity has been eliminated from government-wide financial statements. Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "transfers in or out from other funds."

### **D. Budgetary data**

The New Mexico State Legislature makes annual appropriations to the Office. Legal compliance is monitored through the establishment of a budget (modified-accrual basis) and a financial control system, which permits a budget to actual expenditure comparison. Expenditures may not legally exceed appropriations for each budget at the appropriation unit level.

Budgeted appropriation unit amounts may be amended upon approval from the Budget Division of the State of New Mexico Department of Finance and Administration within the limitation as specified in the General Appropriation Act. The budget amounts shown in the financial statements are both the original appropriation and the final authorized amounts as legally revised during the year.





The Office follows these procedures in establishing the budgetary data reflected in the financial statements:

1. By September 1st, the Office prepares a budget request by appropriation unit to be presented to the next Legislature.
2. The appropriation request is submitted to the Department of Finance and Administration's Budget Division (DFA) and to the Legislature.
3. DFA makes recommendations and adjustments to the appropriation request, which become the Governor's proposal to the Legislature.
4. Legislative Finance Committee (LFC) holds hearings on the appropriation request, also submitting recommendations and adjustments before presentation to the Legislature.
5. Both the DFA's and LFC's recommended appropriation proposals are presented to the Legislature for approval of the final budget plan.
6. Budget hearings are scheduled before the New Mexico House Appropriations and Senate Finance Committees. The final outcomes of these hearings are incorporated into the General Appropriations Act.
7. The Act is signed into law by the Governor of the State of New Mexico within the legally prescribed time limit. The Office submits, no later than May 1st, to DFA an annual operating budget by category and line item based on the appropriations made by the Legislature. The DFA - Budget Division reviews and approves the operating budget which becomes effective on July 1.
8. All subsequent budget adjustments must be approved by the Office and the Director of the DFA - Budget Division. The budget for the current year was properly amended.
9. The Office's budget for the fiscal year ending June 30, 2019 was amended in a legally permissible manner by increasing or reallocating appropriation unit totals as the need arose during the fiscal year. Individual amendments were not material in relation to the original budget.
10. Formal budgetary integration is employed as a management control device during the fiscal year for the General Fund and the Special Revenue Fund.
11. Appropriations lapse at the end of the fiscal year. The Office's General Fund is a reverting fund (funds revert back to the State General Fund).
12. Appropriations lapse at the end of the year except for those amounts properly classified as accounts payable.
13. Budgets for the General Fund and Special Revenue Fund are presented on the modified accrual basis of accounting. Encumbrances related to single year appropriations lapse at year end. The portion of an encumbrance representing goods and services received by the last day of the fiscal year should be reclassified as accounts payable.
14. The legal level of budgetary control is at the appropriation program level.



**E. Encumbrances**

Any encumbrances outstanding at year-end related to single year appropriations are classified as a liability to recognize amounts subject to reversion to the State General Fund. If the New Mexico State Legislature provides a new appropriation for a specific encumbrance, it is carried forward to a new appropriation period to be charged against the new budget. If the Legislature does not provide a new appropriation for an encumbrance, the encumbrance is no longer authorized.

**F. Net Position**

The government-wide financial statements utilize a net position presentation. Net position is categorized as investment in capital assets (net of related debt), restricted and unrestricted.

*Investment in Capital Assets, net of related debt* – is intended to reflect the portion of net position which is associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost.

*Restricted* – net position is considered restricted by enabling legislation that has been determined to be legally enforceable. Legal enforceability means that a government can be compelled by an external party—such as citizens, public interest groups, or the judiciary—to use resources created by enabling legislation only for the purposes specified by the legislation. Generally, the enforceability of an enabling legislation restriction is determined by professional judgment, which may be based on actions such as analyzing the legislation to determine if it meets the qualifying criteria for enabling legislation, reviewing determinations made for similar legislation of the government or other governments, or obtaining the opinion of legal counsel. However, enforceability cannot ultimately be proven unless tested through the judicial process, which may never occur. The determination of legal enforceability should be based on the underlying facts and circumstances surrounding each individual restriction. The determination that a particular restriction is not legally enforceable may lead a government to reevaluate the legal enforceability of similar enabling legislation restrictions but should not necessarily lead a government to conclude that all enabling legislation restrictions are unenforceable.

*Deferred Outflows/Inflows of Resources* – In addition to assets, the statement of net position and/or the balance sheet for the governmental funds will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position/fund balance that applies to a future period and so will not be recognized as an expense or expenditure until then. The Office has no deferred outflows of resources during fiscal year 2019 on the government wide or fund financials.

In addition to liabilities, the statement of net position and/or the balance sheet for the governmental funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position/fund balance that applies to a future period and so will not be recognized until then.

*Unrestricted* – This category reflects the net position of the Office, not restricted for any project or other purpose.



**G. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**H. Spending Policy**

When an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the State’s policy to use restricted resources first. When expenditures/expenses are incurred for purposes for which unrestricted (committed, assigned and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the State’s policy to spend committed resources first.

**I. Cash and Cash Equivalents**

The Office has defined cash to include cash on hand and demand deposits.

**J. Receivables and Payables**

Receivables consist of amounts due from federal, state and local governments. No allowance for doubtful accounts is established, since all amounts are considered collectible in the subsequent fiscal year.

**K. Capital Assets**

Property, plant and equipment including software, purchased or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The State's capitalization policy, i.e., the dollar value above which asset acquisitions including software are added to the capital accounts, is \$5,000. However, all capital outlay purchases may not necessarily be capitalized. Computer software which has been developed for internal use and which meets the capitalization minimum of \$5,000 is capitalized and depreciated in accordance with the Office’s depreciation guidelines.

Depreciation on all exhaustible assets is provided on the straight-line basis with no salvage value. The estimated useful life for capital assets is as follows:

<u>Type</u>	<u>Life</u>
Furniture and fixtures	7 years
Equipment and Machinery	6 years
Vehicles	5 years
Data processing	3 years



**L. Accrued Compensated Absences**

Qualified employees accumulate annual leave as follows:

<u>Years of Service</u>	<u>Hours Earned</u>	<u>Hours of Maximum</u>
	<u>Per Pay Period</u>	<u>Accrual</u>
1 pay period - 4 years	4.62	240
Over 4 years - 8 years	5.08	240
Over 8 years - 12 years	5.54	240
Over 12 Years - 16 years	6.00	240
Over 16 years and beyond	6.46	240

The maximum accrued annual leave may be carried forward into the beginning of the next calendar year and any excess is lost. When employees terminate, they are compensated for accumulated unpaid annual leave as of the date of termination, up to the maximum amounts shown above, at their current hourly rate.

**M. Accrued Sick Leave**

Chapter 150 Laws of 1983, provides for the payment to employees for accumulated sick leave under certain conditions. Employees who have over 600 hours of accumulated sick leave can receive payment for the hours over 600 up to 120 hours on July 1st and January 1st of each year. However, the sick leave will be paid at fifty percent of the employee’s regular hourly wage. At retirement, employees can receive fifty percent payment for up to 400 hours for the hours over 600 hours of accumulated sick leave. Employees who terminate receive no payment for accumulated sick leave; therefore, the only sick leave which has been accrued represents the hours earned at June 30, 2019 over 600 hours. In accordance with GASB 16, accrued compensated absences consisted of accumulated annual leave and related salary payments (employers’ matching FICA and Medicare payroll taxes). Expenditures for accumulated sick pay for hours under 600 hours will be recognized as employees take such absences. Accrued vested sick pay is recorded as a liability in the Governmental Activities Funds.

**N. Interfund Activity**

Interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

**O. Program Revenues**

Program revenues include federal and state grants.



**2. INTEREST IN STATE GENERAL FUND INVESTMENT POOL**

State law (Section 8-6-3 NMSA 1978) requires the Office’s cash be managed by the New Mexico State Treasurer’s Office. Accordingly, the investments of the Office consist of an interest in the General Fund Investment Pool managed by the New Mexico State Treasurer’s Office.

At June 30, 2019 the Department had the following invested in the General Fund Investment Pool:

	<u>Bank Balance</u>	<u>Book Balance</u>
Governmental Funds:		
Investment in the State General Fund Investment Pool, fund 16300	\$ 142,018	\$ 142,018
Investment in the State General fund Investment Pool, fund 93100	90,000	90,000
Investment in the State General Fund Investment Pool, fund 94200	45,196	45,196
	<u>\$ 277,214</u>	<u>\$ 277,214</u>

Interest Rate Risk - The New Mexico State Treasurer’s Office has an investment policy that limits investment maturities to five years or less on allowable investments. This policy is a means of managing exposure to fair value losses arising from increasing interest rates. This policy is reviewed and approved annually by the New Mexico State Board of Finance.

Credit risk - The New Mexico State Treasurer pools are not rated.

For additional GASB 40 disclosure information regarding cash held by the New Mexico State Treasurer, the reader should see the separate audit report for the New Mexico State Treasurer’s Office for the fiscal year ended June 30, 2019.



**3. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance 2018	Additions	Deletions	Balance 2019
Capital assets depreciated:				
Information Tech Equipment	\$ 61,806	-	-	\$ 61,806
Vehicles	261,933	39,777	25,426	276,284
Total Capital assets depreciated	<u>\$ 323,739</u>	<u>39,777</u>	<u>25,426</u>	<u>\$ 338,090</u>
Less accumulated depreciation for:				
Information tech equipment	\$ 49,184	4,798	-	\$ 53,982
Vehicles	206,190	27,312	25,426	208,076
Total accumulated Depreciation	<u>255,374</u>	<u>32,110</u>	<u>25,426</u>	<u>262,058</u>
Total capital assets, net	<u>\$ 68,365</u>	<u>7,667</u>	<u>-</u>	<u>\$ 76,032</u>

The Office recorded depreciation expense of \$32,110 for the year ended June 30, 2019. The depreciation expense is a direct expense of the public safety function.

**4. COMPENSATED ABSENCES**

The amount recorded as a long-term liability in the government-wide statements for compensated absences consist of accrued annual leave and accrued sick leave as follows:

Balance 2018	Additions	Deletions	Balance 2019	Due in one year
<u>\$ 113,163</u>	<u>135,342</u>	<u>120,675</u>	<u>\$ 127,830</u>	<u>\$ 103,173</u>



**5. INTERAGENCY TRANSFERS**

Transfers in or out of the Agency (Fund #16300) are as follows:

	<u>Affiliate (BU)</u>	<u>Share Fund</u>	<u>Title</u>	<u>Transfer In</u>	<u>Transfer Out</u>
(1)	34101	85300	Department of Finance and Administration	\$ 3,128,400	\$ -
(2)	34100	62000	Department of Finance and Administration	162,800	-
(3)	34101	85300	Department of Finance and Administration	50,000	-
(4)	34101	85300	Department of Finance and Administration	90,000	-
(1)	34101	85300	FY 2019 Reversion	-	99,397
				<u>\$ 3,431,200</u>	<u>\$ 99,397</u>

- (1) Laws of 2018, 53rd Legislature, Second Session, Chapter 73
- (2) Laws of 2018, 2<sup>nd</sup> Session, Chapter 23, Section 8 A-2
- (3) Laws of 2019, First Session, Chapter 279 Section 5-A
- (4) Laws of 2019, First Session, Chapter 277, Section 15

**6. SPECIAL APPROPRIATION**

The Office received a special appropriation of \$100,000 during FY 2018 to aid with the prosecution of a defendant in what was expected to be a very prolonged trial. The money was restricted for the purposes of this trial and was available to use until June 30, 2019. The defendant made a plea deal, the trial did not take place and \$86,586 of the special appropriation is now being reverted.

As shown in the above schedule at Note 5 the office received 2 special appropriations during FY 2019. The appropriation of \$50,000 is for operations and is available to use until June 30, 2020. The appropriation of \$90,000 is for the purchase of vehicles and information technology equipment and is available until June 30, 2023.

**7. FUND BALANCE DEFICIT**

The Office has an Unassigned deficit fund balance in the General Fund of \$326. This amount is carried forward from previous years.

**8. CONTINGENCIES**

The Office is a party to various claims and other legal matters coming about in their normal course of business. The Office does not believe that the results of all claims and other legal matters, individually or in the aggregate will have a material adverse effect on its operations or financial positions.



**Risk of loss** – The Office is insured through the Risk Management Division of the General Services Department, which is accounted for as an internal service fund of the State of New Mexico. In general, Risk Management Division responds to suits against the State and state agencies, manages funds to provide unemployment compensation, tort liability insurance, workers' compensation and general and property insurance, and attempts to reduce the number of suits against the State and state agencies through the risk management process. The actuarial gains and losses of Risk Management Division were not available and were not included in this report. However, the Office is not liable for more than the premiums paid.

## **9. FUND BALANCE**

Governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The classifications used in the governmental fund financial statements are as follows:

**Non-spendable:** Consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

**Restricted:** Consists of amounts that are restricted to specific purposes as a result of a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

**Committed:** Consist of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

**Assigned:** Consist of amounts that are constrained by the government's intent, to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

**Unassigned:** Represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

The Office would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.





**10. PERA PENSION PLAN**

Compliant with the requirements of Government Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions, the State of New Mexico has implemented the standard for the fiscal year ending June 30, 2017.

The Office, as part of the primary government of the State of New Mexico, is a contributing employer to a cost-sharing multiple employer defined benefit pension plan administered by the Public Employees Retirement Association (PERA). Disclosure requirements for governmental funds apply to the primary government as a whole, and as such, this information will be presented in the Component Appropriation Funds Annual Financial Report (General Fund) and the Comprehensive Annual Financial Report (CAFR) of the State of New Mexico.

Information concerning the net pension liability, pension expense, and pension-related deferred inflows and outflows of resources of the primary government will be contained in the General Fund and the CAFR and will be available, when issued, from the Office of State Controller, Room 166, Bataan Memorial Building, 407 Galisteo Street, Santa Fe, New Mexico, 87501.

**11. POST-EMPLOYMENT BENEFITS—STATE RETIREE HEALTH CARE PLAN**

Plan Description. Compliant with the requirements of Government Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State of New Mexico has implemented this standard for the fiscal year ended June 30, 2019.

The (Department, Agency, Commission, etc.), as part of the primary government of the State of New Mexico, is a contributing employer to a cost-sharing multiple-employer defined benefit postemployment health care plan that provided comprehensive group health insurance for persons who have retired from certain public service positions in New Mexico. The other postemployment benefits (OPEB) Plan is administered by the Retiree Health Care Authority of the State of New Mexico. Overall, total OPEB liability exceeds OPEB Plan net position resulting in a net OPEB liability. The State has determined the State's share of the net OPEB liability to be a liability of the State as a whole, rather than any agency or department of the State and the liability will not be reported in the department or agency level financial statements of the State. All required disclosures will be presented in the Comprehensive Annual Financial Report (CAFR) of the State of New Mexico.

Information concerning the net liability, benefit expense, and benefit-related deferred inflows and deferred outflows of resources of the primary government will be contained in the State of New Mexico Comprehensive Annual Financial Report (CARF) for the year ended June 30, 2019 and will be available, when issued, from the Office of the State Controller, Room 166, Bataan Memorial Building, 407 Galisteo Street, Santa Fe, New Mexico, 87501.

**12. EVALUATION OF SUBSEQUENT EVENTS**

The Office has evaluated subsequent events through September 27, 2019 , which is the date the financial statements were available to be issued.



**Combining Balance Sheet – General Fund  
For the Year Ended June 30, 2019**

	P259 General Fund	ZC5518 Special Prosecution	ZD9012 Operations Appropriation	Total General Funds
<b>Assets</b>				
Cash	\$ 100	-	-	\$ 100
State General Fund Investment Pool	138,548	-	3,230	141,778
Travel Advance	204	-	-	204
<b>Total Assets</b>	<b>\$ 138,852</b>	<b>-</b>	<b>3,230</b>	<b>\$ 142,082</b>
<b>Liabilities</b>				
Accounts payable	\$ 15,978	-	-	\$ 15,978
Payroll benefits payable	39,872	-	-	39,872
Payroll taxes payable	22,979	-	-	22,979
Accrued payroll	60,349	-	-	60,349
<b>Current Liabilities</b>	<b>139,178</b>	<b>-</b>	<b>-</b>	<b>139,178</b>
<b>Fund Balance</b>				
Unassigned	(326)	-	-	(326)
Assigned to FY20 Budget	-	-	3,230	3,230
<b>Total Fund Balance</b>	<b>(326)</b>	<b>-</b>	<b>3,230</b>	<b>2,904</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 138,852</b>	<b>-</b>	<b>3,230</b>	<b>\$ 142,082</b>

*The accompanying notes are an integral part of these financial statements*



**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - General Fund  
For the Year Ended June 30, 2019**

	P259 General Fund	ZC5518 Special Prosecution	ZD901Z Operations Appropriation	Total General Funds
<b>Revenue</b>				
Federal grants	\$ -	-	-	\$ -
Total Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>				
Personal services and benefits	3,033,813	-	-	3,033,813
Contractual services	12,500	-	-	12,500
Other costs	192,299	13,414	46,770	252,483
Capital outlay	<u>39,777</u>	<u>-</u>	<u>-</u>	<u>39,777</u>
Total Expenditures	<u>3,278,389</u>	<u>13,414</u>	<u>46,770</u>	<u>3,338,573</u>
Excess (Deficiency) of revenues over expenditures	<u>(3,278,389)</u>	<u>(13,414)</u>	<u>(46,770)</u>	<u>(3,338,573)</u>
<b>Other Financing Sources (Uses)</b>				
State general fund appropriations	3,291,200	-	50,000	3,341,200
Reversion to State General Fund FY2019	<u>(12,811)</u>	<u>(86,586)</u>	<u>-</u>	<u>(99,397)</u>
Total Other Financing Sources (Uses)	<u>3,278,389</u>	<u>(86,586)</u>	<u>50,000</u>	<u>3,241,803</u>
Net change in Fund Balance	-	(100,000)	3,230	(96,770)
Fund Balance, beginning	<u>(326)</u>	<u>100,000</u>	<u>-</u>	<u>99,674</u>
Fund Balance, ending	<u>\$ (326)</u>	<u>-</u>	<u>3,230</u>	<u>\$ 2,904</u>

*The accompanying notes are an integral part of these financial statements*



**Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance Budget and Actual  
(Budgetary Basis) – General Operating Fund – PZ59  
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
State General Fund appropriations	\$ 3,128,400	3,128,400	3,128,400	\$ -
Other financing sources	162,800	162,800	162,800	-
Program Revenue	-	-	-	-
Total Revenues	3,291,200	3,291,200	3,291,200	\$ -
Fund Balance	-	-		
	\$ 3,291,200	3,291,200		
 <b>EXPENDITURES</b>				
Personnel services & employee benefits	\$ 3,136,500	3,044,500	3,033,813	\$ 10,687
Contractual services	21,800	12,500	12,500	-
Other costs	132,900	234,200	232,076	2,124
Total Expenditures	\$ 3,291,200	3,291,200	3,278,389	\$ 12,811

*The accompanying notes are an integral part of these financial statements*



**Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance Budget and Actual  
(Budgetary Basis) – 2018 Special Prosecution Appropriation – ZC5518  
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
State General Fund appropriations	\$ -	-	-	\$ -
Other financing sources	-	-	-	-
Program Revenue	-	-	-	-
Total Revenues	-	-	-	\$ -
Fund Balance	100,000	100,000		
	\$ 100,000	100,000		
<b>EXPENDITURES</b>				
Personnel services & employee benefits	\$ -	-	-	\$ -
Contractual services	-	-	-	-
Other costs	100,000	100,000	13,414	86,586
Total Expenditures	\$ 100,000	100,000	13,414	\$ 86,586

This appropriation was received in 2018 to aid with the prosecution of a defendant in what was expected to be a very prolonged trial. All of the above expenditures were incurred in FY 2019 and the balance of \$86,586 was reverted as part of the FY 2019 reversion.



**Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance Budget and Actual  
(Budgetary Basis) –2019 Special Appropriation for Operations – ZD901Z  
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES</b>				
State General Fund appropriations	\$ 50,000	50,000	50,000	\$ -
Other financing sources	-	-	-	-
Program Revenue	-	-	-	-
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>\$ -</u>
Fund Balance	<u>-</u>	<u>-</u>		
	<u>\$ 50,000</u>	<u>50,000</u>		
<b>EXPENDITURES</b>				
Personnel services & employee benefits	\$ -	-	-	\$ -
Contractual services	-	-	-	-
Other costs	<u>50,000</u>	<u>50,000</u>	<u>46,770</u>	<u>3,230</u>
Total Expenditures	<u>\$ 50,000</u>	<u>50,000</u>	<u>46,770</u>	<u>\$ 3,230</u>

This special appropriation was received in FY 2019 for operations of the Attorney’s Office and is available until June 30, 2020. All of the expenditures shown above were incurred in FY 2019. The remaining budget balance of \$3,230 is shown in the Balance Sheet –Governmental Funds – as Fund Balance Assigned to FY20 Budget.

**Independent Auditor's Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with Government Auditing Standards**

Ms. Andrea Reeb, District Attorney  
Ninth Judicial District Attorney  
Clovis, New Mexico  
and  
Mr. Brian Colon, New Mexico State Auditor  
Office of the State Auditor  
Santa Fe, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds, of the State of New Mexico Office of the Ninth Judicial District Attorney (Office) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Office's basic financial statements, and have issued our report thereon dated September 25, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit, of the financial statements, we considered the Office's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control. Accordingly, we do not express an opinion on the effectiveness of the Office's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did not identify any deficiencies in internal control that we consider to be significant deficiencies.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Office’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests did not disclose any instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Zlotnick, Laws & Sandoval, P.C.*

Zlotnick, Laws & Sandoval, P.C.

Santa Fe, New Mexico

September 25, 2019





**Schedule of Findings and Responses  
For the Year ended June 30, 2019**

Prior Year – NM 2018-001 Travel and Per Diem – Other Compliance Resolved

**Summary of Audit Results**

Type of auditor’s report issued Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? No

Noncompliance material to financial statements noted? No



**Exit Conference**

An exit conference was held in a closed session on September 25, 2019. In attendance were the following:

Representing the Ninth Judicial District Attorney:

Andrea Reeb, District Attorney

Steve North, Chief Financial Officer

Representing Zlotnick, Laws & Sandoval, P.C.

Asa Laws, CPA

**FINANCIAL STATEMENTS**

The accompanying financial statements of the Office have been prepared by Zlotnick, Laws & Sandoval, P.C., the Office's independent public auditors; however, the financial statements are the responsibility of management.