

**STATE OF NEW MEXICO  
PUBLIC EMPLOYEE LABOR RELATIONS BOARD**

Annual Financial Statements  
For the Year Ended June 30, 2018

## INTRODUCTORY SECTION

STATE OF NEW MEXICO  
PUBLIC EMPLOYEE LABOR RELATIONS BOARD  
June 30, 2018

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STATE OF NEW MEXICO  
PUBLIC EMPLOYEE LABOR RELATIONS BOARD  
Official Roster  
June 30, 2018

Board

Duff H. Westbrook	Board Chair
Roger E. "Bart" Bartosiewicz	Vice Chair
John Bledsoe	Board Member

Administrative Officials

Thomas Griego	Executive Director
Matthew Abousleman	Executive Administrative Assistant

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Chairman and Board Members  
State of New Mexico Public Employee Labor Relations Board  
2929 Coors Blvd. NW, Suite # 303  
Albuquerque, NM 87120  
and  
Mr. Wayne Johnson, New Mexico State Auditor

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the general fund, and the budgetary comparison of the general fund of the State of New Mexico Public Employee Labor Relations Board (Board), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Board'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 misstatement, whether due to fraud or error.

**Auditors' 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 Board'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 Board's internal control. Accordingly, we express no such opinion. 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 the general fund of the State of New Mexico Public Employee Labor Relations Board as of June 30, 2018, and the respective changes in financial position and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires 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 the missing information.

#### *Other Information*


Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's 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 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the additional schedules required by 2.2.2 NMAC are 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 October 29, 2018 on our consideration of the Board's internal control over financial reporting and 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 effectiveness of the Board's internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.

  
Burt & Company CPAs, LLC

October 29, 2018



## BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO  
PUBLIC EMPLOYEE LABOR RELATIONS BOARD  
Statement of Net Position  
June 30, 2018

	<u>Governmental Activities</u>
<b>Assets</b>	
Current assets:	
Investment in State General Fund Investment Pool	\$ <u>31,575</u>
Total current assets	<u>31,575</u>
Total assets	\$ <u><u>31,575</u></u>
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	\$ 2,902
Accrued payroll	6,593
Due to State General Fund	11,769
Compensated absences - current	<u>6,800</u>
Total current liabilities	28,064
Non-current liabilities:	
Compensated absences - non-current	<u>476</u>
Total non-current liabilities	<u>476</u>
Total liabilities	28,540
<b>Net Position</b>	
Unrestricted net position	<u>3,035</u>
Total net position	\$ <u><u>3,035</u></u>

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

STATE OF NEW MEXICO  
PUBLIC EMPLOYEE LABOR RELATIONS BOARD  
Statement of Activities  
For the Year Ended June 30, 2018

	<u>Governmental Activities</u>
<b>Expenses:</b>	
<b>General government</b>	
Administrative services	\$ 171,382
Contractual services	5,675
Other costs	<u>38,310</u>
Total program expenses	215,367
 <b>General revenues</b>	
State General Fund appropriations	221,000
Reversions to State General Fund	<u>(4,389)</u>
Total general revenues	<u>216,611</u>
 <b>Change in net position</b>	 1,244
Net position - beginning of the year	<u>1,791</u>
 <b>Net position - end of the year</b>	 \$ <u>3,035</u>

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

STATE OF NEW MEXICO  
PUBLIC EMPLOYEE LABOR RELATIONS BOARD  
Balance Sheet - Governmental Funds  
June 30, 2018

	<u>General Fund</u>
<b>Assets</b>	
Investment in State General Fund Investment Pool	\$ <u>31,575</u>
Total assets	\$ <u><u>31,575</u></u>
<b>Liabilities and Fund Balances</b>	
Liabilities:	
Accounts payable	2,902
Accrued payroll	\$ 6,593
Due to state general fund	<u>11,769</u>
Total liabilities	21,264
<b>Fund balances</b>	
Unassigned	<u>10,311</u>
Total fund balances	<u>10,311</u>
Total liabilities and fund balances	\$ <u><u>31,575</u></u>

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

STATE OF NEW MEXICO  
PUBLIC EMPLOYEE LABOR RELATIONS BOARD  
Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position  
June 30, 2018

Fund balances - Governmental funds	\$	10,311
Total net position reported for governmental activities in the statement of net position is different because:		
Compensated absences are not due and payable on June 30, 2018 and therefore are not reported in the fund statements		<u>(7,276)</u>
Total net position	\$	<u><u>3,035</u></u>

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

STATE OF NEW MEXICO  
PUBLIC EMPLOYEE LABOR RELATIONS BOARD  
Statement of Revenues, Expenditures and Changes in Fund Balances -  
Governmental Funds  
For the Year Ended June 30, 2018

	<u>General Fund</u>
<b>Expenditures:</b>	
<b>General government</b>	
Current	
Administrative services	\$ 172,626
Contractual services	5,675
Other costs	38,310
Total expenditures	216,611
Excess (Deficiency) of revenues over expenditures	(216,611)
<b>Other financing sources (uses)</b>	
State general fund appropriations	221,000
Other financing sources	-
Reversions to State General Fund FY18	(4,389)
Total other financing sources (uses)	216,611
<b>Net change in fund balance</b>	-
Fund balance - beginning of year	10,311
<b>Fund balance - end of year</b>	\$ 10,311

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

STATE OF NEW MEXICO  
PUBLIC EMPLOYEE LABOR RELATIONS BOARD  
Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year ended June 30, 2018

Net change in fund balance - Governmental funds	\$	-
The change in net position reported for governmental activities in the statement of activities is different because:		
Compensated absences changed by this amount during the fiscal year		<u>1,244</u>
Change in net position	\$	<u><u>1,244</u></u>

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

STATE OF NEW MEXICO  
PUBLIC EMPLOYEE LABOR RELATIONS BOARD  
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
(Non-GAAP Budgetary Basis) - General Fund  
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variances
	Original	Final	(Non-GAAP Budgetary Basis)	Favorable (Unfavorable)
				Final to Actual
<b>Revenues:</b>				
Miscellaneous revenue	\$ -	-	-	-
Total revenues	-	-	-	-
<b>Expenditures:</b>				
<b>Current:</b>				
Personal services	165,500	172,800	172,626	174
Contractual services	5,800	5,800	5,675	125
Other costs	42,400	42,400	38,310	4,090
Total expenditures	213,700	221,000	216,611	4,389
Excess (deficiency) of revenues over expenditures	(213,700)	(221,000)	(216,611)	4,389
<b>Other financing sources:</b>				
State general fund appropriations	213,700	221,000	221,000	-
Other financing sources	-	-	-	-
Total other financing sources	213,700	221,000	221,000	-
Net change in fund balances	\$ -	-	4,389	4,389
<b>RECONCILIATION TO GAAP BASIS:</b>				
Payables		\$		
Reversion for FY18			(4,389)	
Net change in fund balance GAAP basis		\$	-	

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



NOTES TO FINANCIAL STATEMENTS

STATE OF NEW MEXICO  
PUBLIC EMPLOYEE LABOR RELATIONS BOARD  
Notes to Financial Statements  
June 30, 2018

1. Summary of Significant Accounting Policies

This summary of significant accounting policies of the State of New Mexico Public Employee Labor Relations Board (Board) is presented to assist in the understanding of the Board's financial statements. The financial statements and notes are the representation of the Board's management who is responsible for their integrity and objectivity. The financial statements of the Board have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to the agencies of the government. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

The Board was created by the New Mexico Legislature as part of the Public Employee Bargaining Act, 10-7E-1 to 10-7E-26 NMSA 1978. The Board's first year as an independent agency was the year ended June 30, 2005. In the prior year when it was created, it was considered part of the Office of the Governor. The Board consists of three members appointed by the Governor of the State of New Mexico. One member should be recommended to the Governor by organized labor representatives actively involved in representing public employees, and one member should be recommended by employers actively involved in collective bargaining. The third member should be jointly recommended to the Governor by the two appointees. The purpose of the Board is to promulgate rules necessary to accomplish and perform its functions and duties as established in the Public Employee Bargaining Act, including the establishment of procedures for:

1. The designation of appropriate bargaining units
2. The selection, certification and decertification of exclusive representatives; and
3. The filing of, hearing on and determinate of complaints or prohibited practices

The Board shall:

1. Hold hearings and make inquiries necessary to carry out its functions and duties
2. Conduct studies on problems pertaining to employer-employee relationships
3. Request from public employers and labor organizations the information and data necessary to carry out the Board's functions and responsibilities

The Board is a department of the primary government, the State of New Mexico. These financial statements present the financial position and changes in financial position of that portion of the governmental activities, each major fund, and aggregate remaining fund information of the State that is attributable to the transactions of the Board.

Based upon the application of the criteria in GASB Statements No. 14, No. 39, and No. 61, the Board had no component units as of June 30, 2018.

STATE OF NEW MEXICO  
PUBLIC EMPLOYEE LABOR RELATIONS BOARD  
Notes to Financial Statements  
June 30, 2018

1. Summary of Significant Accounting Policies (continued)

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Board. There is no effect from interfund activity that needs elimination because the Board has only one fund. The Board's governmental activities are supported by general fund appropriations from the State of New Mexico. The Board has no business-type activities.

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Non-exchange Transactions.

In the government-wide Statement of Net Position, the governmental activities column is reported on a full accrual, economic resource basis, which recognized all long-term assets and receivables as well as long-term debt obligations. The Board's net position are reported in two parts; restricted net position and unrestricted net position.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 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 Board's general fund appropriations are shown as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The Board did not have any funds classified as proprietary or fiduciary for the year ended June 30, 2018.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, losses, assets, deferred outflows of resources, liabilities, and deferred inflows or resources re-

STATE OF NEW MEXICO  
PUBLIC EMPLOYEE LABOR RELATIONS BOARD  
Notes to Financial Statements  
June 30, 2018

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

sulting from exchange and exchange-like transactions should be recognized when the exchange takes place. Revenues, expenses, losses, assets, deferred outflows of resources, liabilities, and deferred inflows or resources resulting from nonexchange transactions should be recognized in accordance with GASB 33 and GASB 65. Grants and similar items are recognized as revenue as soon as all eligibility requirements of time, reimbursement and contingencies imposed by the provider are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Unavailable revenues are classified as a deferred inflow. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The Board reports the following major governmental fund:

The General Fund is the Board's operating fund. Its fund number in the Statewide Human Resource Accounting and Management Reporting System (SHARE) is fund 84800. It is used to account for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in some other fund. The general fund is a reverting fund.

D. Assets, Liabilities, and Net Position or Equity

*Cash and Investments*

For the fiscal year ended June 30, 2018, all of the Board's cash was maintained on deposit with the State General Fund Investment Pool (SGFIP). The State Treasurer has the authority to invest money held in demand deposits and not immediately needed for the operation of state government in securities in accordance with Sections 6-10-10 I through O, NMSA 1978 as amended. State law requires the New Mexico Department of Finance and Administration (DFA) to complete the reconciliations of balances and accounts kept by the New Mexico State Treasurer's Office (STO). The Board does not have a separate bank account.

STATE OF NEW MEXICO  
PUBLIC EMPLOYEE LABOR RELATIONS BOARD  
Notes to Financial Statements  
June 30, 2018

1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, and Net Position or Equity (continued)

Capital Assets and Depreciation

Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of maintenance and repairs that do not add to the asset value or materially extend assets lives are not capitalized. The Board does not undertake major capital projects involving interest costs during the construction phase.

Pursuant to Section 12-6-10 NMSA 1978, movable chattels and equipment costing more than \$5,000 are capitalized. Capital assets of the Board are depreciated using zero salvage value and the straight-line method over the assets estimated useful life. As of June 30, 2018, the Board does not own any capital assets.

Compensated Absences

Employees are entitled to accumulate annual leave at a rate based on appointment date and length of continuous service. A maximum of 240 hours of annual leave may be carried forward. When employees terminate, they are compensated at their current hourly rate for accumulated unpaid annual leave as of the date of termination, up to a maximum of 240 hours. Employees are entitled to accumulate sick leave at a rate of 3.69 hours per pay period. There is no limit to the amount of sick leave that an employee may accumulate. State agencies are allowed to pay fifty (50) percent of each employee's hourly rate for accumulated sick leave over 600 hours up to 120 hours. Payment may be made only once per fiscal year at a specified pay period in either January or July. In accordance with GASB Statement No. 16, Accounting for Compensated Absences, accrued compensated absences consist of accumulated annual leave, sick leave, and compensatory leave and related salary payments (employers' matching FICA and Medicare payroll taxes).

Pensions

The Board, 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 inflow and outflow of resources of the primary government will be contained in the General Fund and the CAFR and

STATE OF NEW MEXICO  
PUBLIC EMPLOYEE LABOR RELATIONS BOARD  
Notes to Financial Statements  
June 30, 2018

1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, and Net Position or Equity (continued)

Pensions (continued)

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.

For purposes of measuring the net pension liability, deferred outflow of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERA and additions to /deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investment are reported at fair value.

Fund Balance Classification Policies and Procedures

In the governmental fund financial statements, fund balances are classified as nonspendable, restricted, or unrestricted (committed, assigned, or unassigned). Restricted represents those portions of fund balance where constraints placed on the resources are either externally imposed or imposed by law through constitutional provisions or enabling legislation. Committed fund balance represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Legislative and Executive branches of the state. Assigned fund balance is constrained by the Legislature and Executive Branch's intent to be used for specific purposes, or in some cases, by legislation.

All revenue sources appropriated to the Board are subject to the restrictions placed on them by outside funding sources, provisions of enabling legislation and applicable statutes, and by the language of legislative awards appropriated to the Board. Currently, the Board has no fund balances that are classified as restricted. If there were restricted balances, once the applicable conditions were satisfied, the remaining sources revert to the original funding source.

Spending Policy Disclosure

When an expenditure 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 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. The Board has no authority to establish a minimum fund balance. This is the prerogative of the State Legislature and the Executive (Governor) Branch.

STATE OF NEW MEXICO  
PUBLIC EMPLOYEE LABOR RELATIONS BOARD  
Notes to Financial Statements  
June 30, 2018

1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities, and Net Position or Equity (continued)

Net Position Classifications

The government-wide financial statements utilize a net position presentation. Net position is categorized as restricted and unrestricted.

- 1) Restricted net position - This classification consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. The Board has no restricted net position as of June 30, 2018.
- 2) Unrestricted net position - This classification consists of all other net position that do not meet the definition of "restricted net position." The unrestricted net position is due to recognition of compensated absences, which is uncorrectable in a reverting agency, and an adjustment for a liability in prior years, which was not substantiated.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts of assets, liabilities and disclosures at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

Funding

The Board's funding is subject to annual evaluation and appropriation and could end at any time.

E. Budgets and Budgetary Accounting

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

1. No later than September 1<sup>st</sup>, the Board submits to the State Budget Division (SBD) of the New Mexico DFA an appropriation request for the fiscal year commencing the following July 1. Copies are also sent to the Legislative Finance Committee (LFC). The appropriation request includes proposed expenditures and the means of financing them.

STATE OF NEW MEXICO  
PUBLIC EMPLOYEE LABOR RELATIONS BOARD  
Notes to Financial Statements  
June 30, 2018

1. Summary of Significant Accounting Policies (continued)

E. Budgets and Budgetary Accounting (continued)

2. Appropriation request is reviewed by the SBD and additional information is obtained, if needed, Agency budgets are consolidated, with revisions, and submitted as a tentative budget to the Governor of the State. The Governor's approved appropriation request is then submitted to the Legislature as the recommended appropriation request for the Board.
3. Budget hearings are scheduled before the New Mexico House Appropriations and Senate Finance committees. The final outcome of these hearings is incorporated into the General Appropriations Act.
4. The Act is signed into law by the Governor of the State of New Mexico within the legally prescribed time limit.
5. The Board submits, no later than May 1<sup>st</sup>, to DFA an annual operating budget by category and line item based upon the appropriation made by the Legislature. The DFA Budget Division reviews and approves the operating budget, which becomes effective on July 1. All subsequent budget adjustments must be approved by the director of the DFA - State Budget Division. The current year budget was revised in a legal manner.
6. Budget control for expenditures and encumbrances is at the appropriation program level. The Board has only one program. All of the expenditures for that program are accounted for in the Board's general fund.
7. Formal, budgetary integration is employed as a management control device during the fiscal year for the general fund.
8. The budget for the general fund is on the modified accrual basis. There were accounts payable at June 30, 2018 that did not get paid within 31 days after the end of the fiscal year.
9. Any remaining SHARE fund 84800 balance not restricted for unspent special or capital outlay multiple year appropriations, must revert to the New Mexico State general fund by September 30<sup>th</sup>, as required by Section 6-5-10, NMSA 1978.

In accordance with the requirements of Section 2.2.2.10.A(2)(b) of NMAC Requirements for Contracting and Conducting Audits of Agencies and the allowance made by GASB Statement No. 34 footnote 53, the budgetary comparison statement has been included as part of the basic financial statements. It includes the reconciliation of the net change in fund balance (per modified accrual basis) to the net change in fund balance stated on the statement of revenues, expenditures and changes in fund balance.



STATE OF NEW MEXICO  
PUBLIC EMPLOYEE LABOR RELATIONS BOARD  
Notes to Financial Statements  
June 30, 2018

2. Investments in State General Fund Investment Pool

As provided for in Chapter 8-6 of the New Mexico Statutes Annotated 1978, the State Treasurer shall receive and keep all monies of the State, except when otherwise provided, and shall disburse the public money upon lawful warrants. The STO acts as the State's bank. Board cash receipts are deposited with STO and pooled in a State Investment fund, when amounts are greater than immediate needs they are placed into short-term investments. When agencies make payments to vendors and employees they are made from this pool reduced.

The comprehensive cash reconciliation model, which compares aggregated agency claims on the SGFIP to the associated resources held by the STO, is continuing. This process has been reviewed multiple times by the IPAs during the audits of the General Fund, the DFA and the State of New Mexico's CAFR. The reviews have deemed the process to be sound and the Board fully compliant with the requirements of the monthly process.

The purpose of this memo is to provide the following assertions:

1. As of June 30, 2018, resources held in the pool were equivalent to the corresponding business unit claims on those resources.
2. All claims are recorded in SHARE shall be honored at face value.

At June 30, 2018, the Board had the following invested in the General Fund Investment Pool:

	SHARE		Account		
	Fund #	Maturity	Balance	Fair Value	
<u>General Fund:</u>					
Investment in the State General Fund					
Investment Pool	848	1 day	\$ <u>31,575</u>	<u>31,575</u>	

Interest Rate Risk- The STO 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.

Concentration of Credit Risk – The New Mexico State Treasurer pools are not rated.

Custodial Credit Risk – Deposit - The STO monitors the collateral for deposits it holds, which would include the investment accounts of the Board. Therefore, collateralization of the Board's accounts is the responsibility of the STO. The STO has its own separate annual independent audit in which the collateral pledged to secure these deposits is disclosed. There is no custodial risk at the Board's level since the Board's investments are under the contract of the STO.

STATE OF NEW MEXICO  
PUBLIC EMPLOYEE LABOR RELATIONS BOARD  
Notes to Financial Statements  
June 30, 2018

2. Investments in State General Fund Investment Pool (continued)

For further information regard the SGFIP, please see the STO's annual audit report and specifically refer to the GASB 40 disclosure of the investments. That report may be obtained by writing to the New Mexico State Treasurer's Office, P.O. Box 608, Santa Fe, NM 87504-0708.

3. Compensated Absences

The following is a summary of changes in compensated absences:

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018	Due Within One Year
Compensated absences	\$ 8,520	9,836	11,080	7,276	6,800

Compensated absences are liquidated with available financial resources out of the general fund. The State of New Mexico does not budget in the current year, funds to pay any portion of the compensated absence liability at the end of the year; therefore, the current portion of compensated absences is not recorded in the fund financial statements.

4. Leases

Operating Leases

The Board is committed under a lease for office space through December 14, 2021. This lease is considered for accounting purposes to be an operating lease. Operating leases do not give rise to property rights or lease obligations; therefore, the results of operating leases are not reflected in the Board's capital assets. Lease expenditures for the year ended June 30, 2018 amounted to \$22,314 under operating leases. Future minimum lease payments for the operating lease are as follows:

Year Ending June 30,	
2019	\$ 22,595
2020	22,890
2021	23,184
2022	11,666
	\$ <u>80,335</u>

STATE OF NEW MEXICO  
PUBLIC EMPLOYEE LABOR RELATIONS BOARD  
Notes to Financial Statements  
June 30, 2018

5. PERA Retirement Plan

The Board, 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 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 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, NM 87501.

Plan Description

Substantially all of the Board's full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). PERA is the administrator of the plan, which is a cost-sharing multiple employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, NM 87504-2123. The report is also available on PERA's website at [www.pera.state.nm.us](http://www.pera.state.nm.us).

*Funding Policy.* Plan members are required to contribute 8.92% of their gross salary. The Board is required to contribute 16.99% of the gross covered salary. The contribution requirements of plan members and the Board are established in State statute under Chapter 10, Article II, NMSA 1978. The requirements may be amended by acts of the legislature. The Board's contributions to PERA for the fiscal years ending June 30, 2018, 2017, and 2016 were \$21,249, \$21,317, and \$21,412, respectively, which equal the amount of the required contributions for each fiscal year.

6. Deferred Compensation

The State of New Mexico offers state, local government, and school district employees a deferred compensation plan created in accordance with the Internal Revenue Code, Section 457. The plan is available to all state employees and those local government and school district employees whose employers have elected to participate in the plan. The plan permits participants to defer a portion of their salary until future years.

The deferred compensation plan is not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights, are the property of the participant.

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Notes to Financial Statements  
June 30, 2018

7. Post-Employment Benefits - State Retiree Health Care Plan

*Plan Description.* The Board contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

*Funding Policy.* The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars, if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at [www.nmrhca.state.nm.us](http://www.nmrhca.state.nm.us).

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2018, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2018, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the Legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee

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PUBLIC EMPLOYEE LABOR RELATIONS BOARD  
Notes to Financial Statements  
June 30, 2018

7. Post-Employment Benefits - State Retiree Health Care Plan (continued)

contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

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, 2018.

The Board, 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 provides 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 RHCA. 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 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 CAFR for the year ended June 30, 2018 and will be available, when issued, from the Office of the State Controller, Room 166, Bataan Memorial Building, 407 Galisteo Street, Santa Fe, NM 87501.

The Board’s contribution to the RHCA for the years ended June 30, 2018, 2017, and 2016 were \$2,501, \$2,509, and \$2,521, respectively, which equal the amount of the required contributions for each fiscal year.

8. Due to State General Fund

The amount due to the State General Fund at June 30, 2018 is made up of the following fiscal year reversions and stale dated warrants:

Year Ending June 30, 2018		
Stale warrants FY 2011	\$	7,184
Reversion FY 2018		4,389
Reversion FY 2017		184
Reversion FY 2016 and prior		12
	\$	11,769

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PUBLIC EMPLOYEE LABOR RELATIONS BOARD  
Notes to Financial Statements  
June 30, 2018

9. Other Required Fund Disclosures

Generally accepted accounting principles require disclosure of certain information concerning individual funds including:

- A. Deficit fund balance/net position of individual funds. The following fund reflected a deficit fund balance or deficit net position as of June 30, 2018:

None noted.

- B. Excess of expenditures over appropriations.

None noted.

- C. Designated cash appropriations in excess of available balances. The following fund had designated cash appropriations in excess of available balances for the year ended June 30, 2018:

None noted.

10. Special Appropriations

A special appropriation was made to the Agency from the New Mexico State General Fund for employee insurance costs in the amount of \$7,300 as determined by the Legislature. Unexpended and unencumbered appropriations remaining at the end of the appropriation period revert to the State General Fund. The appropriation period ends in fiscal year 2019 as determined by the Legislature. Additional details pertaining to the special appropriation can be found in the supplemental Schedule of Special Appropriations located in the Supplemental Information Section of this report.

11. Risk Management

The Board is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Section 15-7-2 NMSA 1978 requires the General Services Department, Risk Management Division (RMD) to be responsible for the acquisition and administration of all insurance purchased by the state. Since 1977, various state statutes have been passed which allow RMD to insure, self-insure or use a combination of both. Risk management expenditures for the Board are accounted for in the general fund. Any claims are processed through RMD. There are no pending or known threatened legal proceedings involving material matters to which the Board is a party.

STATE OF NEW MEXICO  
PUBLIC EMPLOYEE LABOR RELATIONS BOARD  
Notes to Financial Statements  
June 30, 2018

12. New Accounting Standards

GASB 75

Governmental Accounting Standards Board Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB. This statement applies to government employers who provide OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45. The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. GASB 75 is effective for fiscal years beginning after June 15, 2017 (FY18). The Board adopted GASB Statement No. 75 during fiscal year 2018, with no significant impact to the Board's financial statements.

GASB 85

Governmental Accounting Standards Board Statement No. 85 Omnibus 2017 address practice issues identified during implementation and application of certain GASB statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and post-employment benefits (OPEB). GASB 85 is effective for fiscal years beginning after June 15, 2017 (FY18). The Board adopted GASB Statement No. 85 during fiscal year 2018, with no significant impact to the Board's financial statements.

13. Evaluation of Subsequent Events

The date to which events occurring after June 30, 2018, the date of the most recent statement of net position, have been evaluated for possible adjustment to the financial statements or disclosures is October 29, 2018, which is the date on which the financial statements were available to be issued. No subsequent events were noted.

SUPPLEMENTARY INFORMATION



STATE OF NEW MEXICO  
PUBLIC EMPLOYEE LABOR RELATIONS BOARD  
Schedule of Operating Transfers  
For the Year Ended June 30, 2018

Description	Agency		To Fund	Reference	Transfer	
	Transferred From	From Fund			In	Out
<b><u>State Appropriations</u></b>						
General Fund Appropriation	State General Fund	85300	84800	Laws 2017, Ch 135, Sec 4C	\$ 213,700	-
General Fund Appropriation	State General Fund	85300	84800	Laws 2018, 2nd S, Ch 73, Sec 5- 45	<u>7,300</u>	-
<b>Total State Appropriations</b>					\$ <u><u>221,000</u></u>	<u><u>-</u></u>

See Independent Auditors' Report.

STATE OF NEW MEXICO  
PUBLIC EMPLOYEE LABOR RELATIONS BOARD  
Schedule of Special Appropriations  
For the Year Ended June 30, 2018

Department	Appropriation Amount	2018 Budget	2018 Expenses	Expenses from Inception to June 30, 2018	2018 Reversion Amount	Balance as of June 30, 2018
ZC5545	\$ 7,300	221,000	216,611	216,611	4,389	-
	\$ 7,300	221,000	216,611	216,611	4,389	-

Reversion amount	\$ 4,389
Remaining balance as of June 30, 2018	<u>-</u>
	<u>\$ 4,389</u>

See Independent Auditors' Report.

COMPLIANCE SECTION

INDEPENDENT AUDITORS' 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*

Chairman and Board Members  
State of New Mexico Public Employee Labor Relations Board  
2929 Coors Blvd. NW, Suite # 303  
Albuquerque, NM 87120  
and  
Mr. Wayne Johnson, New Mexico State Auditor

We have audited, 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, the financial statements of the governmental activities, the general fund, and the budgetary comparison of the general fund of the State of New Mexico Public Employee Labor Relations Board (Board) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated October 29, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Board'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 Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Board'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Board's financial statements are free from 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 disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standard* and which are described in the accompanying schedule of findings and responses as items 2018-001, 2018-002, and 2018-003.

### **Board's Responses to Findings**

The Board's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The Board's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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 Board'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 Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Burt & Company CPAs, LLC

October 29, 2018

STATE OF NEW MEXICO  
PUBLIC EMPLOYEE LABOR RELATIONS BOARD  
Summary Schedule of Findings and Responses  
June 30, 2018

Prior Year Findings

Status

2017-001 (2016-001) Reversion to State General Fund	Repeated as 2018-001 and modified
2017-002 Stale Dated Warrants	Repeated as 2018-002 and modified
2017-003 Controls Over Expenditures	Repeated as 2018-003 and modified

Current Year Findings

2018-001 (2016-001) Reversion to State General Fund

2018-002 (2017-002) Stale Dated Warrants

2018-003 (2017-003) Controls Over Expenditures

STATE OF NEW MEXICO  
PUBLIC EMPLOYEE LABOR RELATIONS BOARD  
Schedule of Findings and Responses  
June 30, 2018

**CURRENT YEAR FINDINGS**

**2018-001 (2016-001) Reversion to State General Fund (Other Non-Compliance)**

Condition: Amounts due to the State General Fund for \$4,585 (\$4,389 is for the year ended June 30, 2018, \$184 is for the year ended June 30, 2017, and \$12 is for the year ended June 30, 2016) have not been reverted as required by State Statute. Management has not fully implemented a process of timely reversions for current year reversions, and for the prior year reversion. Management did not revert as required by State statute. Upon notification by auditor, Management reverted the \$4,585 in FY19.

Criteria: New Mexico State Statute Section 6-5-10 requires that all unreserved, undesignated fund balance in reverting funds and accounts at year end shall revert by September 30<sup>th</sup> to the State General Fund. The division may adjust the reversion within ten days of release of the audit report for that fiscal year.

Effect: The Board is not in compliance with state statute.

Cause: The Board is not reconciling its financial data on a timely basis which caused the Board to not revert monies on a timely basis.

Recommendation: Recommend the Board comply with state statute requirements concerning reversions of monies to the State General Fund.

Response: The Agency's CFO has reviewed the reversion timing requirement with the Operations Manager and the necessary reconciliation process for accurate accounting to determine the reversion. The Agency believes this process, which includes the CFO/Board reviewing the monthly reconciliations, will allow the Agency to meet the reversion deadline in the future. The CFO is responsible for ensuring the reversion is submitted timely and expects this to be fully implemented in FY19.

**2018-002 (2017-002) Stale-Dated Warrants (Other Non-Compliance)**

Condition: Agency is not in compliance with NMSA6-10-57, Cancellation of Warrants in the amount of \$7,184 for fiscal year 2017. Management had not reverted the cancelled warrants as the end of FY18. Upon notification by the auditor, Management reverted the \$7,184 in warrants in FY19.

Criteria: Per NMSA 6-10-57 C, cancelled warrant shall revert and be credited back to the fund against which the warrant was drawn.

Effect: The Agency has stale-dated warrants which should have been reverted to the State General Fund.

Cause: The Agency was unaware of process regarding stale-dated warrants.

STATE OF NEW MEXICO  
PUBLIC EMPLOYEE LABOR RELATIONS BOARD  
Schedule of Findings and Responses  
June 30, 2018

Recommendation: Agency should revert stale-dated warrants to State General Fund in accordance with state regulations.

Response: The Agency's CFO has reviewed the stale-dated warrants with the Operations Manager and will revert the monies back to the State General Fund in FY19.

**2018-003 (2017-003) Controls Over Expenditures – Finding that does not rise to the level of significant deficiency**

Condition: During testing of controls over expenditures, the Board had the following deficiency noted:

- For one expenditure in the amount of \$51 of the twenty expenditures tested, the invoice amount did not agree to the voucher payment amount. The total amount of the invoice due was \$61, however only \$51 was paid as that was the remaining amount encumbered in the purchase order at year end. An additional purchase order was not created and no additional funds were encumbered at year end, thus leaving an immaterial unrecorded payable of \$10. Upon notification by the auditor, the amount was included as payment due in FY19 expenditures.

Management has developed procedures in FY18 for supporting documents to be included to evidence the transaction. Management needs to ensure that all expenditures are paid or accrued at fiscal year end.

Criteria: New Mexico Administrative Code (NMAC); 2.20.5, requires that model accounting practices established by the local government division are followed by authorized personnel. The Board does not have sufficient procedures to account for controls over expenditures.

Effect: The Board is not in compliance with state statute.

Cause: The Board was not ensuring all transactions were properly supported and in compliance with regulations.

Recommendation: Recommend the Board comply with state statute requirements concerning controls over expenditures.

Response: The Agency's CFO will develop procedures for payment of all expenditures due and payable in the fiscal year. These procedures will be fully implemented in FY19.



STATE OF NEW MEXICO  
PUBLIC EMPLOYEE LABOR RELATIONS BOARD  
Exit Conference  
June 30, 2018

An exit conference was held on October 29, 2018. The following individuals were in attendance.

**Representing Public Employee Labor Relations Board**

Thomas Griego  
Duff H. Westbrook  
Tiffany Gurule

Executive Director  
Board Chair  
Acting Chief Financial Officer

**Representing Burt & Company CPAs, LLC**

Ronald E. Schranz, CPA, CVA

Partner

**Auditor Prepared Financial Statements**

The financial statements were prepared by Burt & Company CPAs, LLC with assistance provided by the Board's personnel. The Board is responsible for the fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. The Board has reviewed and approved the financial statements and notes to the financial statements.