

---

STATE OF NEW MEXICO  
Carlsbad Soil and Water Conservation District  
June 30, 2019

Financial Statements and Supplementary Information  
As Of And For The Year Ended June 30, 2019  
With Independent Auditor's Report Thereon

*Sandra Rush CPA PC  
1101 E Llano Estacado  
Clovis, New Mexico 88101*

---



## Introductory Section

STATE OF NEW MEXICO  
CARLSBAD SOIL AND WATER CONSERVATION DISTRICT

Official Roster  
For the year ended June 30, 2019

Board of Directors

Nathan Jurva	Chairperson
Kristin Pope	Vice-Chairperson
James Carr	Secretary / Treasurer
Lupe Carrasco	Member
Charles Goodwin	Member
Henry Vasquez	Member
Fred Beard	Member

Administrative Officials

Judy Bock	District Manager
Judith McCollaum	Administrative Assistant

STATE OF NEW MEXICO  
CARLSBAD SOIL AND WATER CONSERVATION DISTRICT

Table of Contents  
For the year ended June 30, 2019

	<u>Page</u>
Introductory Section	i
Official Roster	ii
Table of Contents	iii-iv
Financial Section	1
Independent Auditor's Report	3-4
Basic Financial Statements	5
Government-wide Financial Statements	6
Statement of Net Position	7
Statement of Activities	8
Fund Financial Statements	9
Balance Sheet - Governmental Funds	10
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position - Governmental Activities	11
Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds	12
Reconciliation of Statement of Revenue, Expenditures and Change in Fund Balances - Governmental Funds - to the Statement of Activities - Governmental Activities	13
Statement of Revenues, Expenditures, and Changes in Cash Balances - Budget and Actual (Non - GAAP Budgetary Basis) General Fund - 101	14
Notes to Financial Statements	15-29
Required Supplementary Information	30
Schedule of Proportionate Share Net Pension Liability And Required Contributions Public Employees Retirement Association (PERA) Plan Last 10 Fiscal Years*	
Schedule of Proportionate Share Net Pension Liability	Schedule I 31
Schedule of Required Contributions	Schedule I 31
Notes to Required Supplementary Information	32

STATE OF NEW MEXICO  
CARLSBAD SOIL AND WATER CONSERVATION DISTRICT

Table of Contents  
For the year ended June 30, 2019

	<u>Page</u>
Other Supplemental Information	33
Bank Reconciliation - All Accounts	Schedule II 34
Compliance Section	35
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	
Independent Auditor's Report	37
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	39-40
Schedule of Expenditures of Federal Awards	Schedule III 41
Notes to the Schedule of Expenditures of Federal Awards	42
Schedule of Findings and Questioned Costs	43
Financial Statement Preparation	43
Exit Conference	43

## Financial Section

This Page Intentionally Blank



## Independent Auditor's Report

Brian S. Colón  
New Mexico State Auditor  
The Governing Board  
Carlsbad Soil and Water Conservation District  
Carlsbad, New Mexico

### **Report on Financial Statements**

I have audited the accompanying financial statements of the governmental activities, the major fund, and the budgetary comparison for the general fund and the aggregate remaining fund information of Carlsbad Soil and Water Conservation District (the "District"), as of and for the year ended June 30, 2019, and the related notes to the financial statements which collectively comprise the District'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.

### **Auditor's Responsibility**

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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, I 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 financial statement presentation.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

### **Opinions**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities the major fund and the budgetary comparison for the general fund of the District, as of June 30, 2019, and the respective changes in financial position thereof, 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 Discussion and Analysis that accounting principles, generally accepted in the United States of America require 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by the missing information.

Accounting principles generally accepted in the United States of America require that the *Schedules of the District's Proportionate Share of the Net Pension Liability*, and *Schedules of District Contributions* be presented to supplement the basic financial statements. Such 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. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

My audit was conducted for the purpose of forming opinions on the financial statements, the individual fund financial statements, and the budgetary comparison. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and the other 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 Schedule of Expenditures of Federal Awards and the other 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 my opinion, the Schedule of Expenditures of Federal Awards and the schedules required by 2.2.2 NMAC are stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, I have also issued my report dated November 6, 2019 on my consideration of the District's internal control over financial reporting and on my 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 my 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 District's internal control over financial reporting and compliance.

***Sandra Rush CPA PC***

Sandra Rush CPA PC  
Clovis, New Mexico  
November 6, 2019

## Basic Financial Statements

## Government-Wide Financial Statements



STATE OF NEW MEXICO  
CARLSBAD SOIL AND WATER CONSERVATION DISTRICT

Statement of Net Position  
June 30, 2019

	<u>Governmental Activities</u>
Assets and deferred outflows of resources	
Assets	
Current assets	
Cash and cash equivalents	\$ 1,208,838
Cash with the NM Finance Authority - State Treasury	1,314
Receivables (net)	
Taxes	68,104
Grants	<u>624,445</u>
Total current assets	1,902,701
Noncurrent assets	
Capital assets	618,140
Less accumulated depreciation	<u>(246,002)</u>
Total noncurrent assets	<u>372,138</u>
Total assets	<u>2,274,839</u>
Deferred outflows of resources	
Related to net pension liability	<u>44,795</u>
Total assets and deferred outflows of resources	<u>\$ 2,319,634</u>
Liabilities, deferred inflows of resources and net position	
Liabilities	
Current liabilities	
Accrued wages payable	\$ 2,581
Note payable - current portion	<u>3,803</u>
Total current liabilities	6,384
Noncurrent liabilities	
Compensated absences	5,244
Note payable	38,720
Net pension liability - PERA	<u>143,493</u>
Total noncurrent liabilities	<u>187,457</u>
Total liabilities	193,841
Deferred inflows of resources	
Related to net pension liability	<u>4,870</u>
Total deferred inflows of resources	<u>4,870</u>
Net position	
Net investment in capital assets	329,615
Restricted for	
General	-
Debt service	1,314
Unrestricted	<u>1,789,994</u>
Total net position	<u>2,120,923</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 2,319,634</u>

See notes to financial statements

STATE OF NEW MEXICO  
 CARLSBAD SOIL AND WATER CONSERVATION DISTRICT

Statement of Activities  
 For the year ended June 30, 2019

Functions / Programs	Expenses	Program Revenues			Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities					
Conservation	\$ 3,983,976	\$ 26,558	\$ 2,790,695	\$ -	\$ (1,166,723)
Interest	1,276	-	-	-	(1,276)
Total expenditures	<u>\$ 3,985,252</u>	<u>\$ 26,558</u>	<u>\$ 2,790,695</u>	<u>\$ -</u>	<u>\$ (1,167,999)</u>
			General revenues		
			Taxes		
			Mill levy		\$ 415,968
			Interest		1,843
			Total general revenues		<u>417,811</u>
			Change in net position		(750,188)
			Net position beginning		<u>2,871,111</u>
			Net position - ending		<u>\$ 2,120,923</u>

See notes to financial statements

## Fund Financial Statements

STATE OF NEW MEXICO  
 CARLSBAD SOIL AND WATER CONSERVATION DISTRICT

Balance Sheet - Governmental Funds  
 June 30, 2019

	<u>General Fund</u>
Assets and deferred outflows of resources	
Assets	
Cash and cash equivalents	\$ 1,208,838
Restricted cash	1,314
Receivables	
Taxes	68,104
Grants	624,445
Total assets	<u>1,902,701</u>
Deferred outflows of resources	
Unavailable resources	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 1,902,701</u>
Liabilities, deferred inflows of resources and fund balances	
Liabilities	
Accrued payroll	\$ <u>2,581</u>
Total liabilities	<u>2,581</u>
Deferred inflows of resources	
Unavailable revenues	<u>-</u>
Fund balances	
Nonspendable	-
Restricted for	
General	-
Special revenue	-
Debt service	-
Unassigned	<u>1,900,120</u>
Total fund balance	<u>1,900,120</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,902,701</u>

See notes to financial statements



STATE OF NEW MEXICO  
CARLSBAD SOIL AND WATER CONSERVATION DISTRICT

Reconciliation of the Balance Sheet - Governmental Funds  
to the Statement of Net Position - Governmental Activities  
For the year ended June 30, 2019

Amounts reported for governmental activities in the Statement of Net Position are different because

Fund balances - total governmental funds	\$	1,900,120
--	----	-----------

Capital assets used in governmental activities are not financial resources and, therefore,  
are not reported in the funds

Capital assets	\$ 618,140	
Accumulated depreciation	<u>(246,002)</u>	372,138

Deferred outflows and inflows of resources related to pensions are applicable  
to future periods and, therefore, are not reported in the funds

Deferred outflows of resources related to net pension liability	44,795	
Deferred inflows of resources related to net pension liability	<u>(4,870)</u>	39,925

Certain liabilities, including accrued compensated absences, bonds payable,  
lease purchase notes and net pension liability, are not due and payable  
in the current period and, therefore, are not reported in the funds

Long- term debt	(42,523)	
Net pension liability	(143,493)	
Compensated absences	<u>(5,244)</u>	<u>(191,260)</u>

Net position of governmental activities in the Statement of Net Position	\$	<u>2,120,923</u>
--	----	------------------

STATE OF NEW MEXICO  
 CARLSBAD SOIL AND WATER CONSERVATION DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balances  
 Governmental Funds  
 For the year Ended June 30, 2019

	<u>General Fund</u>
Revenues	
Taxes	
Mill levy	\$ 415,968
Miscellaneous other	26,558
Intergovernmental	
Federal grants	1,340,745
State grants	1,327,234
Local grants	122,716
Interest	<u>1,843</u>
Total revenues	<u>3,235,064</u>
Expenditures	
Current	
Conservation	3,953,669
Capital outlay	-
Debt service	
Principal	3,746
Interest	<u>1,276</u>
Total expenditures	<u>3,958,691</u>
Excess (deficiency) of revenues over expenditures	(723,627)
Other financing sources (uses)	
Operating transfers in (out)	<u>-</u>
Total other financing sources (uses)	<u>-</u>
Net change in fund balances	<u>(723,627)</u>
Fund balance, beginning of year	<u>2,623,747</u>
Fund balance, end of year	<u><u>\$ 1,900,120</u></u>

See notes to financial statements

STATE OF NEW MEXICO  
 CARLSBAD SOIL AND WATER CONSERVATION DISTRICT

Reconciliation of Statement of Revenue, Expenditures and Change in  
 Fund Balances - Governmental Funds - to the Statement of Activities -  
 Governmental Activities  
 For the year ended June 30, 2019

Amounts reported for governmental activities in the Statement of Activities are different because

Net change in fund balance - total governmental funds \$ (723,627)

Capital outlays to purchase or build capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which depreciation exceeds capital outlays for the period.

Depreciation expense (19,260)

The issuance of long-term debt (e.g., notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Note payable principal 3,746

Expenditures in the statement of activities that do not provide current financial resources are not reported as expenditures in the funds.

Governmental funds report district pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

Compensated absences are expensed as paid in governmental fund statements and as increases to noncurrent liabilities on the statement of net position.

Change in deferred outflows and inflows related to net pension liability (11,862)  
 Compensated absences 815

Change in net position of governmental activities \$ (750,188)

See notes to financial statements

STATE OF NEW MEXICO  
CARLSBAD SOIL AND WATER CONSERVATION DISTRICT

General Fund - 101

Statement of Revenues, Expenditures, and Changes in  
Cash Balances - Budget and Actual (Non - GAAP Budgetary Basis)  
Year Ended June 30, 2019

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes				
Mill levy	\$ 359,500	\$ 359,500	\$ 359,484	\$ (16)
Charges for services	26,560	26,560	26,558	(2)
Intergovernmental				
Federal grants	1,340,800	1,340,800	1,340,745	(55)
State grants	769,500	769,500	769,496	(4)
Local grants	120,720	120,720	120,716	(4)
Interest	1,853	1,853	1,843	(10)
Total revenues	<u>2,618,933</u>	<u>2,618,933</u>	<u>2,618,842</u>	<u>(91)</u>
Expenditures				
Current				
Conservation	3,373,276	3,373,276	3,373,538	(262)
Capital outlay	-	-	-	-
Debt service				
Principal	3,746	3,746	3,746	-
Interest	1,679	1,679	1,276	403
Total expenditures	<u>3,378,701</u>	<u>3,378,701</u>	<u>3,378,560</u>	<u>141</u>
Excess (deficiency) of revenues over expenditures	(759,768)	(759,768)	(759,718)	50
Other financing sources (uses):				
Operating transfers in (out)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(759,768)	(759,768)	(759,718)	50
Cash balance, beginning	<u>752,276</u>	<u>752,276</u>	<u>1,969,870</u>	<u>1,217,594</u>
Cash balance, ending	<u>\$ (7,492)</u>	<u>\$ (7,492)</u>	<u>\$ 1,210,152</u>	<u>\$ 1,217,644</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (759,718)	
Adjustment to revenues for accruals and other deferrals			616,222	
Adjustment to expenditures for payables, prepaids and other accruals			<u>(580,131)</u>	
Net change in fund balance (GAAP Basis)			<u>\$ (723,627)</u>	

See notes to financial statements

## Notes to the Financial Statements



**Note 1 Summary of Significant Accounting Policies**

This summary of significant accounting policies of the Carlsbad Soil and Water Conservation District (District) is presented to assist in the understanding of the District's financial statements. The financial statements and notes are the representation of the District's management who is responsible for their integrity and objectivity. The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements have incorporated all applicable GASB statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on accounting procedures. The more significant of the government's accounting policies are described below.

**A. Reporting Entity**

The Carlsbad Soil and Water Conservation District (District) is organized under the provisions of the Soil and Water Conservation District Act {73-20-25 through 73-20-49 NMSA 1978}. The District is a governmental subdivision of the state, a public body corporate and politic, organized for control and prevention of flood, sediment, and soil erosion damage, and to further the conservation, development and beneficial use of water and soil resources. The governing body of the District consists of a minimum of five elected supervisors, four of whom must be landowners in the District. Two additional supervisors may be appointed to the District board. Supervisors serve a term of three years and continue in office until a successor is elected or appointed.

The financial reporting entity consists of the primary government, and any another 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 it can 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.

Based upon the application of these criteria, there are no component units of the District. The District is not considered a component unit of another governmental agency during the fiscal year ended June 30, 2019.

**B. Government-Wide Financial Statements**

The basic financial statements include both government-wide (based on the District as a whole) 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 the 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 on a significant extent on fees and charges for support. 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*.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a function category (general government, public safety, etc.) or activity are offset by program revenues. Direct expenses are those that are clearly identifiable with specific function or activity. 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 activity, 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or activity and 3) grants and contributions



that are restricted to meeting the capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported as general revenues.

The net cost (by function of governmental-type activity) is normally covered by general revenues (mill levy, sales, franchise, public service taxes, interest income, etc.). The District does not allocate indirect costs. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term is considered an indirect expense and is reported separately on the Statement of Activities.

Separate fund based 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 government funds and major individual enterprise funds are reported as separate columns in the fund financial statements. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category for the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. The nonmajor funds are detailed in the combining section of the statements.

The government-wide focus is more on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds of the governmental and business-type categories. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

### **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 are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund level financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balance of financial resources) rather than upon net income. 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. For this purpose, the District considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Generally, intergovernmental revenues and grants are recognized when all eligibility requirements are met, and the revenues are available. 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.

Mill levy, franchise, sales and public service tax revenues associated with the current fiscal period are recognized under the susceptible to accrual concept. Licenses and permits, charges for services, fines and forfeitures, contributions, and miscellaneous revenues are recorded as revenues when received in cash, as the resulting receivable is immaterial.

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met.

Governmental funds are used to account for the District's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets and the servicing of general long-term debt. Governmental funds include:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues are provided through mill levy and other taxes, federal sources, state sources, charges for services, licenses and fees, and other miscellaneous recoveries and revenue. Expenditures include all costs associated with the daily operation of the District except for items included in other funds.

The *Special Revenue Funds* account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Under the requirements of GASB No. 34, the District is required to present certain of its governmental funds as major based upon certain criteria. The major funds presented in the fund financial statements include only the General Fund.



STATE OF NEW MEXICO  
CARLSBAD SOIL and WATER CONSERVATION DISTRICT  
Notes to The Financial Statements  
For the Year Ended June 30, 2019

**General Fund**

The District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues are provided primarily through property, gross receipts and other miscellaneous taxes.

As a rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes, because elimination of these charges would distort the direct costs and program revenues reported in the Statement of Activities

Program revenues reduce the cost of the function to be financed from the District's general revenues. Amounts reported as *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*. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. The District does not currently employ indirect cost allocation systems. Depreciation expense is specifically identified function and is included in the direct expense of each function. Interest on general and long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the District; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

**D. Assets, Liabilities, and Net Position or Fund Balance**

**Cash and Cash Equivalents:**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the District to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Investment Pool.

**Receivables and Payables:**

Inter-fund activity is reported either as loans, services provided, reimbursements, or transfers. Loans are reported as inter-fund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related costs as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements. All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. In the government-wide and governmental fund financial statements, delinquent property taxes are recorded when levied.

**Capital Assets:**

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000, per section 12-6-10 NMSA 1978, and an estimated useful life more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement



STATE OF NEW MEXICO  
CARLSBAD SOIL and WATER CONSERVATION DISTRICT  
Notes to The Financial Statements  
For the Year Ended June 30, 2019

No. 34, the historical cost of infrastructure assets, (retroactive to 1979) are to be included as part of the governmental capital assets reported in the government wide statements. Donated capital assets are recorded at estimated fair market value at the date of donation. Information Technology Equipment including software is being capitalized and included in furniture, fixtures, and equipment in accordance with NMAC 2.20.1.9 C (5).

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Buildings	39 years
Vehicles	5 years
Office equipment	5 years
Light equipment	7 years
Computer equipmer	5 years

**Deferred Outflows of Resources:**

In addition to assets, the balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time.

**Deferred Inflows of Resources:**

In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Revenue must be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period) to be recognized. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred inflows of resources.

**Long-term Obligations:**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position.

In the fund financial statements, the face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt services expenditures.

**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 following classifications may be used:

**Non-Spendable**

The non-spendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

**Restricted**

Fund balance is reported as restricted when constraints placed on the use of resources are either (1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

**Committed**

Amounts that can only be used for specific purposes pursuant to constraints imposed by the formal action of the District Board of Trustees should be reported as committed fund balance. The committed amounts cannot be used for any other purpose unless the District's Board of Trustees removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.



**Assigned**

Assigned fund balance includes (a) all remaining amounts, except for negative balances, that are reported in governmental funds, other than the general fund, that are not classified as non-spendable and are neither restricted nor committed and amounts in the general fund that are constrained by the District's intent to be used for specific purposes but are neither restricted nor committed. Intent, and removal of, is expressed by the Board of Trustees or the Finance Committee. The District did not have assigned fund balances for the year ended June 30, 2018.

**Unassigned**

The remaining fund balance, after all other classifications, within the general fund is reported as unassigned fund balance. This classification 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. In governmental funds other than the general fund, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, a negative fund balance will be reported as unassigned fund balance.

When committed, assigned, and unassigned resources are available for use, it is the District's policy to use committed first followed by assigned and unassigned resources as they are needed.

**Net Position and Fund Equity:**

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.

In the government-wide financial statements, fund equity is classified as net position and is displayed in three components:

**Net investment in capital assets:**

Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

**Restricted Net Position:**

Consist of net position with "legally enforceable" 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. Legally enforceable 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. If it is determined that the restrictions continue to be legally enforceable, then for the purposes of financial reporting, the restricted net position should not reflect any reduction for resources used for purposes not stipulated by the enabling legislation. Descriptions for the related restrictions for net position are restricted for "debt service or capital projects."

**Unrestricted Net Position:**

All other net positions that do not meet the definition of "restricted" or "net investment in capital assets".

**Inter-fund Transactions:**

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers.

**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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates affecting the District's financials include management's estimate of the useful lives of capital assets.



**Tax Revenues:**

The District receives mill levy tax revenues. These taxes are assessed on January 1st of each year and are payable in two equal installments, on November 10th of the year in which the tax bill is prepared and April 10th of the following year with the levies becoming delinquent 30 days (one month) thereafter. The District recognizes tax revenues in the period for which they are levied in the government-wide financial statements. The District records only the portion of the taxes considered 'measurable' and 'available' in the governmental fund financial statements.

**Note 2 Stewardship, Compliance, and Accountability**

**Budgetary Information**

Annual budgets of the District are prepared prior to June 1 and must be approved by District Council resolution and submitted to the Department of Finance and Administration for State approval. Once the budget has been formally approved, any amendments must also be approved by the District Council and the Department of Finance and Administration. A separate budget is prepared for each fund. Line items within each budget may be over-expended; however, it is not legally permissible to over-expend any budget in total.

These budgets are prepared on the Non-GAAP cash basis, excluding encumbrances, and secure appropriation of the funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

The budgetary information presented in these financial statements has been amended in accordance with the above procedures.

Formal budgetary integration is employed as a management control device during the year for the General Fund, and Special Revenue Funds. The District is required to balance its budgets each year. Accordingly, amounts that are in excess or deficient are presented as changes in cash designated for expenditures, not as an excess or deficiency of revenues over expenditures. The District Council may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance.

The accompanying Statements of Revenues, Expenditures, and Changes in Cash Balance – Budget (non-GAAP Budgetary Basis) and Actual presents comparisons of the legally adopted budget with actual data on a budgetary basis.

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of resultant basis, perspective, equity, and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2019, is presented.

The appropriated budget for the year ended June 30, 2019, was properly amended by the District Council throughout the year.

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with Generally Accepted Accounting Principles, a reconciliation of resultant basis, perspective, equity, and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2019 is presented as part of the budgetary statements.

**Note 3 Deposits and Investments**

State statutes authorize the investment of the District funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States government obligations. All invested funds of the District properly followed State investment requirements as of June 30, 2019.

Deposits of funds may be made in interest or non-interest-bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the District. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution.

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case, shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

Excess of funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

STATE OF NEW MEXICO  
 CARLSBAD SOIL and WATER CONSERVATION DISTRICT  
 Notes to The Financial Statements  
 For the Year Ended June 30, 2019

Per the Federal Deposit Insurance Corporation, public unit deposits are funds owned by the public unit. Time deposits, savings deposits, and interest-bearing NOW accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution.

New Mexico State Statutes require collateral pledged for deposits more than the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for at least one half the amount more than FDIC coverage on deposit with the institution.

The schedule listed below discloses the State of New Mexico, Office of the State Auditor's requirements on reporting the insured portion of the District's deposits.

	Western Commerce Carlsbad NM	Pioneer Bank Carlsbad NM	Financial Security Credit Union Carlsbad NM	Carlsbad National Bank Carlsbad NM
Total amount on deposit on June 30, 2019				
Carlsbad SWCD	\$ 856,930	\$	\$	\$
Carlsbad SWCD	-	110,697		
Carlsbad SWCD	-		203,254	
Carlsbad SWCD	-			95,935
Total deposited	<u>856,930</u>	<u>110,697</u>	<u>203,254</u>	<u>95,935</u>
Less FDIC coverage	(250,000)	(110,697)		(95,935)
less NCUA coverage			(203,254)	
Total uninsured public funds	<u>606,930</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
50% collateral requirement				
per Section 6-10-17, NMSA 1978	303,465			
Pledged securities (Schedule IV)	<u>980,406</u>			
Over (under)	<u>\$ 676,941</u>			

At June 30, 2019 the District had \$1,314 held at the New Mexico Finance Authority, which is collateralized within NMFA guidelines. This information is not available by individual entity. NMFA financial statements are available at 207 Shelby Street, Santa Fe, NM 87501.

Pledged Collateral

Per the Federal Deposit Insurance Corporation, public unit deposits are owned by the public unit. Time deposits, savings deposits and interest-bearing money market accounts at a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution. The collateral pledged is listed below.

Description	CUSIP #	Market Value	Maturity Date	Location
GNMA #4511	36202FAK0	188,205	8/20/2039	FHLB, Dallas TX
SBAP 2016 20A	83162CXN8	<u>792,201</u>	1/1/2036	FHLB, Dallas TX
		<u>980,406</u>		

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2019, none of the District's bank balance of \$1,266,816 was exposed to custodial credit risk.



STATE OF NEW MEXICO  
 CARLSBAD SOIL and WATER CONSERVATION DISTRICT  
 Notes to The Financial Statements  
 For the Year Ended June 30, 2019

	Western Commerce Carlsbad NM	Pioneer Bank Carlsbad NM	Financial Security Credit Union Carlsbad NM	Carlsbad National Bank Carlsbad NM
Custodial Credit Risk-Deposits				
Account Balance	\$ 856,930	\$ 110,697	\$ 203,254	\$ 95,935
FDIC Insured	250,000	110,697		95,935
NCUA Insured	-	-	203,254	-
Collateral:				
Collateral held by the pledging bank, not in the the District's name	980,406	-	-	-
Uninsured and uncollateralized	(373,476)	-	-	-
Total Deposits	<u>\$ 856,930</u>	<u>\$ 110,697</u>	<u>\$ 203,254</u>	<u>\$ 95,935</u>

**Note 4 Receivables**

Receivables as of June 30, 2019, are as follows:

	Accounts Receivable Taxes	Accounts Receivable Grantor
Taxes receivable		
Mill levy	\$ 68,104	\$
Due from grantor		
Federal sources		
BLM/NMACD		56,707
State Sources		
NM State Land Office		557,738
Local sources		
Noxious weeds		10,000
Totals	<u>\$ 68,104</u>	<u>\$ 624,445</u>

The above accounts receivable taxes and accounts receivable from grantor are deemed 100% collectible. In accordance with GASB No. 33, property tax receivables are presented net of unearned revenue in the governmental balance sheet.

**Note 5 Capital Assets**

A summary of capital assets and changes occurring during the year ended June 30, 2019 follows.

Government Activities

	Beginning Balances	Increase	Adjustments/ Decrease	Ending Balances
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 20,000	\$ -	\$ -	\$ 20,000
Capital assets being depreciated				
Buildings and Improvements	496,845	-	-	496,845
Vehicles	77,180	-	-	77,180
Equipment	24,115	-	-	24,115
Total assets being depreciated	598,140	-	-	598,140
Less accumulated depreciation	(226,742)	(19,260)	-	(246,002)
Total accumulated depreciation	(226,742)	(19,260)	-	(246,002)
Governmental activity capital assets, net	<u>\$ 391,398</u>	<u>\$ (19,260)</u>	<u>\$ -</u>	<u>\$ 372,138</u>

STATE OF NEW MEXICO  
 CARLSBAD SOIL and WATER CONSERVATION DISTRICT  
 Notes to The Financial Statements  
 For the Year Ended June 30, 2019

Capital assets, net of accumulated depreciation, at June 30, 2019 appear in the Statement of Net Position as follows:  
 Governmental activities \$372,138.

**NOTE 6 Long-term Debt**

During the year ended June 30, 2019 the following changes occurred in the liabilities reported in the government-wide Statement of Net Position:

	Beginning Balance	Increases	Decrease	Ending Balance	Current Portion
4% Note Payable, payable to the New Mexico Finance Authority in monthly installments of \$433. The purpose was to finance building improvements to the Districts office.	\$ 46,269	\$ -	\$ (3,746)	\$ 42,523	\$ 3,803
Compensated absences	\$ 6,059	\$ 9,750	\$ (10,565)	\$ 5,244	\$ -

The annual requirements to amortize the General Obligation Bonds as of June 30, 2019, including interest payments are as follows.

Fiscal Year	Principal	Interest	Total
2020	\$ 3,803	\$ 1,176	\$ 4,979
2021	3,872	1,111	4,983
2022	3,954	1,034	4,988
2023	4,047	945	4,992
2024	4,149	846	4,995
2025-2029	22,698	2,342	25,040
	<u>\$ 42,523</u>	<u>\$ 7,454</u>	<u>\$ 49,977</u>

**Note 7 Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has purchased insurance from a commercial vendor and pays an annual premium for its general insurance coverage, as such all risk of loss is transferred.

**Note 8 Other Required Individual Fund Disclosures**

Generally accepted accounting principles require disclosures as part of the Combining Statements

Overview of certain information concerning individual funds including:

- A. Deficit fund balance of individual funds.  
None
- B. Expenditures exceeded appropriations by fund.  
None
- C. Excess expenditures over budget.  
The District did not reported expenditures in excess of budget at the function level at June 30, 2019.

**Note 9 PERA Pension Plans**

**Summary of Significant Accounting Policies**

*Pensions.* For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New Mexico Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.



## **General Information about the Pension Plan**

### ***Plan description***

The Public Employees Retirement Fund (PERA Fund) is a **cost-sharing, multiple employer defined benefit pension plan**. This fund has six divisions of members, including State General, State Police/Adult Correction Officer Municipal General, Municipal Police/Detention Officers, Municipal fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA plan. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of this plan. Certain coverage plans are only applicable to a Specific division. Eligibility for membership in the PERA Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10-11A-1 to 10-11A-, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C-1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), and the provisions of Sections 29-4-1 through 29-4-11, NMSA 1978 governing the State Police Pension Fund, each employee and elected official of every affiliated public employer is required to be a member in the PERA Fund, unless specifically excluded.

### ***Benefits provided***

Benefits are generally available at age 65 with five or more years of service or after 25 years of service regardless of age for Tier I members. Provisions also exist for retirement between ages 60 and 65, with varying amounts of service required. Certain police and fire members may retire at any age with 20 or more years of service for Tier I members. Generally, the amount of retirement pension is based on final average salary, which is defined under Tier I as the average of salary for the 36 consecutive months of credited service producing the largest average; credited service; and the pension factor of the applicable coverage plan. Monthly benefits vary depending upon the plan under which the member qualifies, ranging from 2% to 3.5% of the member's final average salary per year of service. The maximum benefit that can be paid to a retiree may not exceed a range of 60% to 90% of the final average salary, depending on the division. Benefits for duty and non-duty death and disability and for post-retirement survivor's annuities are also available.

### **TIER II**

The retirement age and service credit requirements for normal retirement for PERA state and municipal general members hired increased effective July 1, 2013 with the passage of Senate Bill 27 in the 2013 Legislative Session. Under the new requirements (Tier II), general members are eligible to retire at any age if the member has at least eight years of service credit and the sum of the member's age and service credit equals at least 85 or at age 67 with 8 or more years of service credit. General members hired on or before June 30, 2013 (Tier I) remain eligible to retire at any age with 25 or more years of service credit. Under Tier II, police and firefighters in Plans 3, 4 and 5 are eligible to retire at any age with 25 or more years of service credit. State police and adult correctional officers, peace officers and municipal juvenile detention officers will remain in 25-year retirement plans, however, service credit will no longer be enhanced by 20%. All public safety members in Tier II may retire at age 60 with 6 or more years of service credit. Generally, under Tier II pension factors were reduced by .5%, employee Contribution increased 1.5% and effective July 1, 2014 employer contributions were raised .05%. The computation of final average salary increased as the average of salary for 60 consecutive months.



STATE OF NEW MEXICO  
 CARLSBAD SOIL and WATER CONSERVATION DISTRICT  
 Notes to The Financial Statements  
 For the Year Ended June 30, 2019

**Contributions** - See PERA's compressive annual financial report for Contribution provided description

Coverage Plan	PERA Contribution Rate and Pension Factor in effect during FY 2018					Pension Maximum as a Percentage of Final Average Salary
	Employee Contribution Percent		Employer Contribution Percent	Pension Factor per year of Service		
	Annual Salary less than \$20,000	Annual Salary greater than \$20,000		TIER 1	TIER 2	
State Plan 3	7.42%	8.50%	7.40%	2.00%	2.00%	90%
Municipal Plan 1 plan open to new employees	7.00%	8.50%	7.40%	2.00%	2.00%	90%
Municipal Plan 2 plan open to new employees	9.15%	10.65%	9.55%	2.50%	2.00%	90%
Municipal Plan 3 plan closed to new employees 6/95	13.15%	14.65%	9.55%	3.00%	2.50%	90%
Municipal Plan 4 plan closed to new employees 6/00	15.65%	17.15%	12.05%	3.00%	2.50%	90%
Municipal Police Plan 1	7.00%	8.50%	10.40%	2.00%	2.00%	90%
Municipal Police Plan 2	7.00%	8.50%	15.40%	2.50%	2.00%	90%
Municipal Police Plan 3	7.00%	8.50%	18.90%	2.50%	2.00%	90%
Municipal Police Plan 4	12.35%	13.85%	18.90%	3.00%	2.50%	90%
Municipal Police Plan 5	16.30%	17.80%	18.90%	3.50%	3.00%	90%
Municipal Fire Plan 1	8.00%	9.50%	11.40%	2.00%	2.00%	90%
Municipal Fire Plan 2	8.00%	9.50%	17.90%	2.50%	2.00%	90%
Municipal Fire Plan 3	8.00%	9.50%	21.65%	2.50%	2.00%	90%
Municipal Fire Plan 4	12.80%	14.30%	21.65%	3.00%	2.50%	90%
Municipal Fire Plan 5	16.20%	17.70%	21.65%	3.50%	3.00%	90%
Municipal Detention Officer Plan 1	16.65%	18.15%	17.05%	3.00%	3.00%	90%
State Police and Adult Correction Officer Plan 1	7.60%	9.10%	25.50%	3.00%	3.00%	90%
State Plan 3 Peace Officer	7.42%	8.92%	16.99%	3.00%	3.00%	90%
Juvenile Correction Officer Plan 2	4.78%	6.28%	26.12%	3.00%	3.00%	90%

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:**

Municipal General Division at June 30, 2019, the District reported a liability of \$143,493 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2018 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2018. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2018. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2018, the District's proportion was 0.0090%, which was increased 0.0008% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the District recognized pension expense of \$20,264. At June 30, 2019 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:



STATE OF NEW MEXICO  
 CARLSBAD SOIL and WATER CONSERVATION DISTRICT  
 Notes to The Financial Statements  
 For the Year Ended June 30, 2019

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actuarial experience	\$ 4,147	\$ 3,767
Change in assumptions	13,010	825
Net difference between projected and actual earnings on plan investments	10,642	-
Change in proportion and difference between District contribution and proportionate share of contributions	8,605	
District's contribution subsequent to the measurement date	8,391	278
Totals	<u>\$ 44,795</u>	<u>\$ 4,870</u>

\$8,391 reported as deferred outflows of resources related to pensions resulting from District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows

Year Ended June 30,		
2020	\$	18,154
2021	\$	8,970
2022	\$	3,851
2023	\$	559

**Actuarial assumptions.** The total pension liability in the June 30, 2018 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement:

PERA	
Actuarial valuation date	June 30, 2017
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay, open
Amortization period	Solved for based on statutory rates
Asset valuation method	4 year smoothed market value
Actuarial Assumptions	
Investment rate of return	7.25% annual rate, net of investment expense
Projected benefit payment	100 years
Payroll growth	3%
Projected salary increases	3.25% to 13.50% annual rate
Includes inflation at	2.5% - 2.75%\$ all other years
Mortality Assumption	RP-2014 Mortality Tables with female ages set forward one year. Future improvements in mortality rates are assumed using 60% of the MP-2017 projection scale generationally. For non-public safety groups, 25% of in-service deaths are assumed to be duty re
Experience Study Dates	July 1, 2008 to June 30, 2017 (demographic) and July 1, 2010 and July 1, 2010 through June 30, 2018 (economic).

The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2017. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2018. These assumptions were adopted by the Board use in the June 30, 2017 actuarial valuation.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

STATE OF NEW MEXICO  
 CARLSBAD SOIL and WATER CONSERVATION DISTRICT  
 Notes to The Financial Statements  
 For the Year Ended June 30, 2019

All Funds Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Equity	43.50%	7.48%
Risk Reduction & Mitigation	21.50%	2.37%
Credit Oriented Fixed Income	15.00%	5.47%
Real Assets to Include Real Estate Equity	20.00%	6.48%
Total	<u>100.00%</u>	

**Discount rate:**

A single discount rate of 7.25% was used to measure the total pension liability as of June 30, 2018. This single discount rate was based on a long-term expected rate of return on pension plan investments of 7.25%, compounded annually, net of expense. Based on the stated assumptions and the projection of cash flows, the plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

The projections of cash flows used to determine this single discount rate assumed that plan member and employer contributions will be made at the current statutory levels.

**Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.**

The following presents the District's proportionate share of net pension liability calculated using the discount rate of 7.25%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease 6.25%	Current Discount 7.25%	1% Increase 8.25%
District's proportionate share of the net pension liability	\$ 221,114	\$ 143,493	\$ 79,328

**Pension plan fiduciary net position.**

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERA financial report. The report is available at <http://www.pera.state.nm.us/publications.html>.

**Note 10 Post-Employment Benefits**

The Retiree Health Care Act (10-7C-1 to 10-7C-16, NMSA 1978) provides comprehensive care group health insurance for persons who have retired from certain public service in New Mexico. As authorized under Section 9D of Chapter 6, Laws of 1990, the District has elected not to participate in the program. Information on the Retiree Health Care Act can be obtained at the Retiree Health Care, 4308 Carlisle Blvd. NE Ste 104, Albuquerque, NM 87109.

**Note 11 Contingent Liabilities**

In the normal course of operations, the District receives grant funds from various state agencies. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise because of these audits is not believed to be material.

**Note 12 Surety Bond**

The officials and certain employees of the District are covered by a surety bond as required by Section 126-7 NMSA 1978 Compilation.

**Note 13 Subsequent Review**

The District has evaluated subsequent events through November 6, 2019 which is the date the financial statements were available for issuance.

**Note 14 GASB 77 Abatement Disclosures**

The District was not part of any tax abatement agreements subject to GASBS 77 Tax Abatement Disclosures during the year ended June 30, 2019. As a result, they make no such disclosures related to GASBS 77.

## Required Supplementary Information



Schedule of Proportionate Share Net Pension Liability

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
The District's proportion of the net pension liability (asset)	0.00790%	0.00790%	0.00820%	0.00820%	0.00900%
The District's proportionate share of the net pension liability (asset) \$	61,628	82,587	127,813	112,675	143,493
The District's covered-employee payroll \$	86,184	88,775	93,157	97,816	113,389
The District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	71.51%	93.03%	137.20%	115.19%	126.55%
Plan fiduciary net position as a percentage of the total pension liability	81.29%	76.99%	69.18%	73.74%	71.13%

Schedule of Required Contributions

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Contractually required contribution \$	6,364	6,569	6,894	7,238	8,391
Contributions in relation to the contractually required contribution	<u>6,364</u>	<u>6,569</u>	<u>6,894</u>	<u>7,238</u>	<u>8,381</u>
Contribution deficiency (excess) \$	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
The District's covered-employee payroll \$	86,184	88,775	93,157	97,816	113,389
Contributions as a percentage of covered-employee payroll	7.38%	7.40%	7.40%	7.40%	7.39%

\* Governmental Accounting Standards Board Statement No.68 requires ten years of historical information be presented; however, until a full 10-year trend is compiled, the statement only requires presentation of information for those years that information is available. Complete information of Carlsbad Soil and Water Conservation District is not available prior to fiscal year 2015, the year the statement's requirements became effective.

Changes of Benefit Terms:

The PERA and COLA and retirement eligibility benefits changes in recent years are described in Note 1 of PERA's CAFR. <https://www.saonm.org>.

Assumptions:

The Public Employees Retirement Association of New Mexico Annual Actuarial Valuations as of June 30, 2018 report is available at [www.nmpera.org](http://www.nmpera.org).

There were no major changes to benefit terms which impact the measurements provided in the Retirement Healthcare Fund. The 2018 report can be found at [www.nmrhc.org](http://www.nmrhc.org).

Changes in Assumption

The PERA salary scale, inflation and payroll assumptions were updated to reflect assumptions used in PERA June 30, 2018 pension valuation. The Actuarial Assumptions are contained in Sections 3 of the RHCA GASB Actuarial Report.

## Other Supplemental Information

STATE OF NEW MEXICO  
CARLSBAD SOIL AND WATER CONSERVATION DISTRICT

Schedule II

Bank Reconciliation - All Accounts  
For the Year Ended June 30, 2019

	<u>Beginning Cash</u>	<u>Receipts</u>	<u>Distributions</u>	<u>Net Cash at Year End</u>
Carlsbad Soil and Water Conservation District General	\$ 1,969,870	\$ 2,618,842	\$ (3,378,560)	\$ 1,210,152
Total Carlsbad Soil and Water Conservatio	<u>\$ 1,969,870</u>	<u>\$ 2,618,842</u>	<u>\$ (3,378,560)</u>	<u>\$ 1,210,152</u>

<u>Account Name</u>	<u>Account Type</u>	<u>Bank Name</u>	<u>Bank Amount</u>
Carlsbad Soil and Water Conservation District			
Cash			
Carlsbad SWCD Operating Account	Checking	Western Commerce Bank	\$ 856,930
CSWCD	Savings	Carlsbad National Bank	95,935
Carlsbad SWCD	Savings	Financial Security Credit Union	203,254
Carlsbad SWCD	Money Market	Pioneer Bank	<u>110,697</u>
Total bank balances			1,266,816
Restricted cash			
Carlsbad SWCD	Debt Service	New Mexico Finance Authority	<u>1,314</u>
Total bank and state treasurer balances			<u>\$ 1,268,130</u>

Total bank balances	\$ 1,266,816
Reconciling items - outstanding deposits	-
Reconciling items - outstanding checks	<u>(57,978)</u>
Total bank cash	1,208,838
Total restricted cash state treasurer balance	<u>1,314</u>
	<u>\$ 1,210,152</u>
Cash - Statement of Net Position	\$ 1,208,838
Restricted cash - Statement of Net Position	<u>1,314</u>
Total cash - Statement of Net Position	<u>\$ 1,210,152</u>



## Compliance Section

This Page Intentionally Blank

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*

Independent Auditor's Report

Brian S. Colón  
New Mexico State Auditor  
The Governing Board  
Carlsbad Soil and Water Conservation District  
Carlsbad, New Mexico

I 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, the major fund, and the budgetary comparison of the general fund of Carlsbad Soil and Water Conservation District (District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued my report thereon dated November 6, 2019.

### Internal Control Over Financial Reporting

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

My 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 my audit I did not identify any deficiencies in internal control that I 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 District's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no 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 my testing of internal control and compliance and the results 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.

*Sandra Rush CPA PC*

Sandra Rush CPA PC  
Clovis, New Mexico  
November 6, 2019



This Page Intentionally Blank

Independent Auditor's Report on Compliance for Each Major Federal Program  
And on Internal Control Over Compliance  
Required by The Uniform Guidance

Brian S. Colón  
New Mexico State Auditor  
The Governing Board  
Carlsbad Soil and Water Conservation District  
Carlsbad, New Mexico

**Report on Compliance for the Major Federal Program**

I have audited Carlsbad Soil and Water Conservation District's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal program for the year ended June 30, 2019. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

My responsibility is to express an opinion on compliance for the District's major federal program based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for the major federal program. However, my audit does not provide a legal determination of the District's compliance.

**Opinion on the Major Federal Program**

In my opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal program for the year ended June 30, 2019.

**Other Matters**

The results of my auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance.

### **Report on Internal Control Over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the District's internal control over compliance.

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

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control over compliance that I consider to be material weakness. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

***Sandra Rush CPA PC***

Clovis, New Mexico  
November 6, 2019



STATE OF NEW MEXICO  
 CARLSBAD SOIL and WATER CONSERVATION DISTRICT  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended June 30, 2019

Schedule III

Federal Grantor / Pass Through Grantor / Program Title	Federal CFDA Number	Major Program	Expenditures	Funds Provided to Subrecipients	Noncash Assistance
Invasive and Noxious Plant Management Fish, Wildlife and Plant Conservation Resource Management	15.230	No	\$ 9,542	\$ -	\$ -
Invasive and Noxious Plant Management Fish, Wildlife and Plant Conservation Resource Management	15.231	Yes	1,074,816	-	-
U S Department of Interior (DOI) Passthrough - Bureau of Land Management	15.230	No	68,172	-	-
			<u>\$ 1,152,530</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
CARLSBAD SOIL and WATER CONSERVATION DISTRICT  
Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2019

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of Carlsbad Soil and Water Conservation District (The District) and is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the financial statements. The information in this schedule is presented in accordance with the requirements of Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Loans

The District did not expend federal awards related to loans or loan guarantees during the year.

10% de minimus Indirect Cost Rate

The District did not elect to use the allowed 10% indirect cost rate.

Federally Funded Insurance

The District has no federally funded insurance.

Reconciliation of Schedule of Expenditures of Federal Awards to Financial Statements:

Total federal awards expended per Schedule of Federal Awards	\$ 1,152,530
Total expenditures funded by other sources	<u>2,806,161</u>
Total expenditures per Statement of Revenues, Expenditures, and Changes in Fund Balances	<u><u>\$ 3,958,691</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
 CARLSBAD SOIL and WATER CONSERVATION DISTRICT  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2019

A. Summary of Auditors Results

*Financial Statements:*

- |  |            |
|--|------------|
| 1. Type of auditors' report issued   | Unmodified |
| 2. Internal control over financial reporting:                                    |            |
| a. Material weaknesses identified:   | None noted |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. Noncompliance material to the financial statements noted:                     | None noted |

*Federal Awards:*

- |  |            |
|--|------------|
| 1. Type of auditors' report issued on compliance for major programs  | Unmodified |
| 2. Internal control over major programs:   |            |
| a. Material weaknesses identified:   | None noted |
| b. Significant deficiencies identified not considered to be material weaknesses:                             | None noted |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a) | None noted |
| 4. Identification of major programs:<br>CFDA 15.230  |            |
| 5. Dollar threshold used to distinguish between type A and type B programs:                                  | \$750,000  |
| 6. Auditee qualified as low risk auditee.  | No         |

B. Findings in Accordance with Government Auditing Standards None noted

C. Findings in Accordance with New Mexico State Audit Rule None noted

D. Federal Findings None noted

E. Prior Year Audit Findings None

Financial Statement Preparation

Although it would be preferred and desirable for the District to prepare its own GAAP-basis financial statements, it is felt that the District's personnel did not have the time to prepare them. Therefore, the outside auditor prepared the GAAP basis financial statements and footnotes for inclusion in the annual audit report from the original books and records provided to them by the management of the District. Management of the District has reviewed and approved these financial statements and related notes and believes they are adequately supported by the books and records of the government.

Exit Conference

The contents of this report were discussed with, Nathan Jurva Board Chairman, Jim Carr, Board Member, Ricki Lopez, Staff, Sandi Wilkie, Staff, Judith McCollaum, District Manager, and Sandra Rush, CPA, in an exit conference on November 6, 2019.



