



**State of New Mexico
Middle Rio Grande Conservancy District**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

For the Years Ended June 30, 2025 and 2024

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INTRODUCTORY SECTION





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January 16, 2026

Constituents of the Middle Rio Grande Conservancy District Members of the Board

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the Middle Rio Grande Conservancy District (the "District") for the fiscal year ended June 30, 2025. This report is published to comply with New Mexico Statutes Annotated (NMSA 1978), Section 12-6-3, which requires annual audits of the District's financial records by independent public accountants, as well as to provide full and transparent financial disclosure to the District's stakeholders. In addition, the report satisfies federal requirements for a Single Audit for federal grant funds in accordance with the Uniform Guidance (2 CFR Part 200) and the Single Audit Act of 1996. Information related to the Single Audit, including the Schedule of Federal Awards, audit findings, recommendations, and independent auditor's reports on internal control and compliance, is included within the Compliance section of this report.

Responsibility for both the accuracy of the data and the completeness and fairness of presentation, including all disclosures, rests with the management of the District. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework designed to protect the District's assets from loss, theft, or misuse, and to ensure the accuracy of accounting data. Because the cost of internal controls should not exceed their anticipated benefits, the District's internal controls provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement.

The independent audit of the financial statements was conducted by Carr, Riggs & Ingram, L.L.C., who issued an unmodified ("clean") opinion that the financial statements present fairly, in all material respects, the financial position of the District as of June 30, 2025, and the results of its operations and cash flows in conformity with generally accepted accounting principles (GAAP). The independent auditor's report is located at the front of the Financial Section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative overview and analysis of the District's financial activities for the fiscal year. The MD&A is designed to complement this transmittal letter and should be read in conjunction with it.

State of New Mexico
Middle Rio Grande Conservancy District
Transmittal Letter

Profile of the District

The Middle Rio Grande Conservancy District was created in 1923 under the New Mexico Conservancy Act to provide flood protection, reclaim wetlands, and supply irrigation water to agricultural lands within the Middle Rio Grande Valley. Today, the District operates and maintains irrigation, drainage, and flood control systems while promoting responsible water management and environmental stewardship in coordination with local, state, and federal agencies. The District also offers diverse recreational opportunities, enhancing the quality of life for residents and visitors alike.

The District's jurisdiction spans portions of Sandoval, Bernalillo, Valencia, and Socorro Counties. Agricultural production on Conservancy lands is estimated to contribute between \$35 million and \$70 million annually to the regional economy. The District's irrigation infrastructure supports a unique urban-rural landscape, preserving farmland and green space amidst growing urban development. Recreational use of the District's conveyance system is widespread, with approximately 73% of Albuquerque's 316 miles of channels and 414 miles of the District's nearly 1,200 total miles available for recreational activities. The District also owns and manages approximately 30,000 acres of bosque habitat, contributing to ecological diversity and public enjoyment.

The District is governed by a seven-member Board of Directors, which is responsible for adopting an annual budget that serves as the foundation for the District's financial planning and management. The District's primary revenue sources include Ad Valorem Taxes and Water Service Charges. The budget is submitted to the New Mexico Department of Finance and Administration (DFA), Local Government Division, for review and approval. The budget is prepared at the fund and object level, allowing administrative transfers within funds while requiring Board and DFA approval for increases at the fund level.

Long-Term Financial Planning

The District maintains a strong commitment to prudent long-term financial planning. Annually, a Five-Year Forecast is prepared to project revenues and expenditures across all governmental funds. Monthly financial monitoring and quarterly reporting to the Board and DFA support timely financial oversight and informed decision-making. The District's financial strategies emphasize sustainability, ensuring the continued delivery of essential services and capital investment in critical infrastructure.

Major Initiatives

During fiscal year 2025, the District continued to prioritize community engagement, environmental protection, and the advancement of key capital projects. The FY26 budget reflects investments in water conveyance efficiency, operational resilience, and drought preparedness. The District actively seeks state and federal grant funding to support significant infrastructure projects, including the Corrales Siphon Project, Socorro Main Canal Lining Project, Low-Flow Conveyance Channel Maintenance, and the design and construction of the Feeder 3 Pump Station.

State of New Mexico
Middle Rio Grande Conservancy District
Transmittal Letter

These initiatives are reflected in both the current and future budget cycles, demonstrating the District's ongoing commitment to service delivery and resource stewardship.

Awards and Acknowledgments

The Government Finance Officers Association (GFOA) awards its Certificate of Achievement for Excellence in Financial Reporting to governments that meet the highest standards of financial reporting. While the District has not previously submitted this report for GFOA consideration, this report has been prepared to meet those high standards. The preparation of this report could not have been accomplished without the dedication, professionalism, and expertise of the entire District staff. We extend our sincere appreciation to all employees whose contributions made the timely completion of this report possible.

Respectfully submitted,

Pamela Fanelli, CMA, CGFM Chief Financial Officer

State of New Mexico
Middle Rio Grande Conservancy District
List of Principal Officials

JUDGES OF THE DISTRICT COURT
SECOND JUDICIAL DISTRICT OF THE STATE OF NEW MEXICO*

Name	Division	Name	Division
Honorable William Parnall	Division No. 1	Honorable Stan Whitaker	Division No. 2
Honorable Brett R. Loveless	Division No. 3	Honorable Beatrice J. Brickhouse	Division No. 4
Honorable Nancy J. Franchini	Division No. 5	Honorable Daniel E. Ramczyk	Division No. 6
Honorable Alma C. Roberson	Division No. 7	Honorable Catherine Begaye	Division No. 8
Honorable Cindy Leos	Division No. 9	Honorable Bruce Fox	Division No. 10
Honorable Gerard Lavelle	Division No. 11	Honorable Elaine P. Lujan	Division No. 12
Honorable Lisa Chavez Ortega	Division No. 13	Honorable Marie Ward	Division No. 14
Honorable Courtney B. Weaks	Division No. 15	Honorable Jennifer J. Wernersbach	Division No. 16
Honorable Erin B. O'Connell	Division No. 17	Honorable Denise Barela-Shepherd	Division No. 18
Honorable Diana Garcia	Division No. 19	Honorable Britt M. Baca	Division No. 20
Honorable Emeterio L. Rudolfo	Division No. 21	Honorable Amber Chavez Baker	Division No. 22
Honorable Joshua A. Allison	Division No. 23	Honorable Debra Ramirez	Division No. 24
Honorable Jane Levy	Division No. 25	Honorable Joseph Montano	Division No. 26
Honorable Victor Lopez	Division No. 27	Honorable Clara Moran	Division No. 28
Honorable Lucy Solimon	Division No. 29	Honorable David Murphy	Division No. 30

*The Middle Rio Grande Conservancy District was created by the Second Judicial District Court of New Mexico through court order. The Conservancy Court resides within the Second Judicial District and has legal jurisdiction regarding the authorities and boundaries of the Middle Rio Grande Conservancy District.

State of New Mexico
Middle Rio Grande Conservancy District
List of Principal Officials

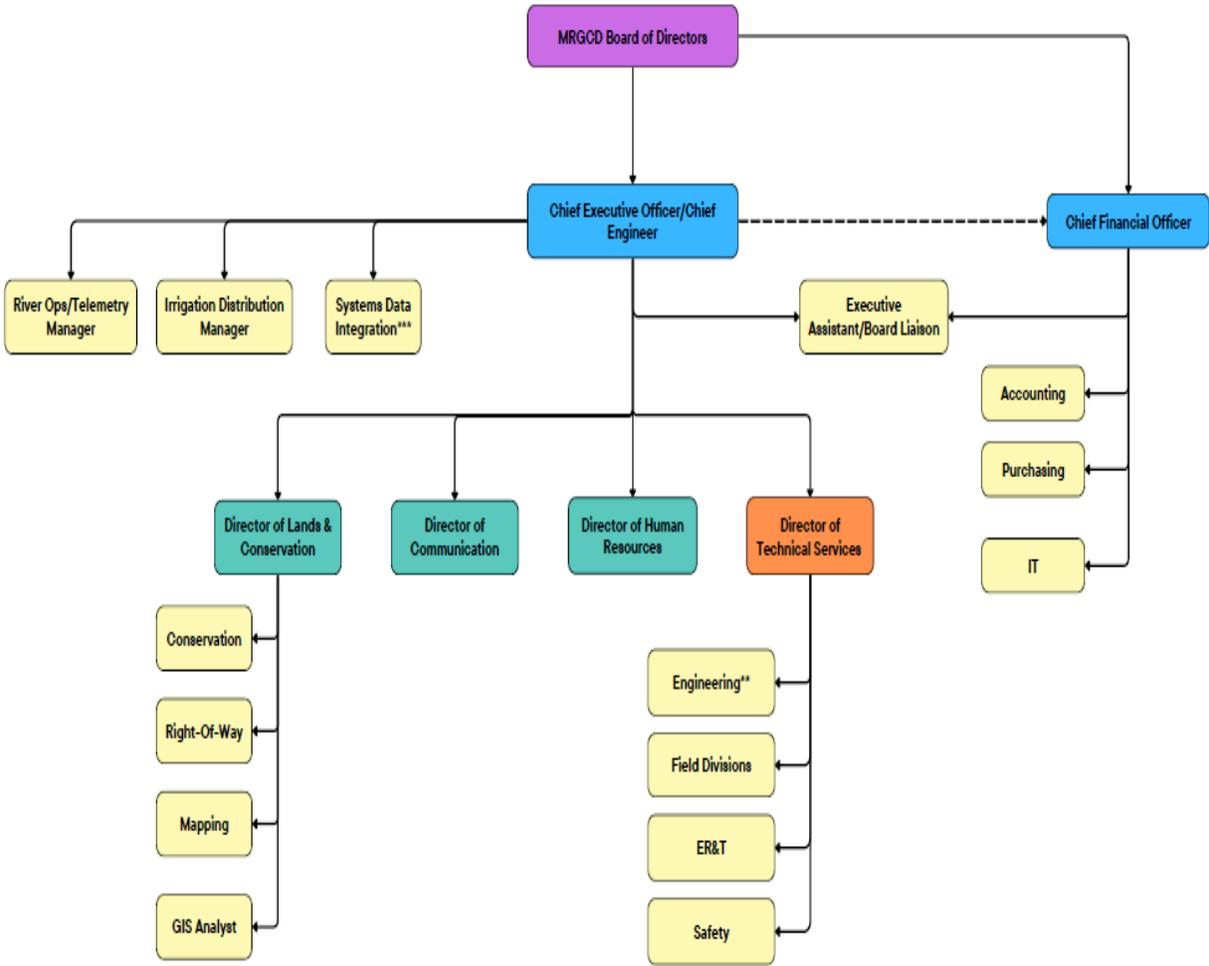
BOARD OF DIRECTORS

Name	County	Position No.
Stephanie Russo Baca, Chairperson	At-Large	1
John P. Kelly, Chairperson	Bernalillo	2
Karen Dunning	Bernalillo	3
Collin T. Baugh, Vice-Chairperson	Bernalillo	4
Brian Jiron	Valencia	5
Glen Duggins	Socorro	6
Michael T. Sandoval	Sandoval	7

OFFICERS

Jason Casuga	Chief Executive Officer
Pamela Fanelli	Chief Financial Officer
Eric Zamora	Director of Technical Services
Casey Ish	Director of Lands and Conservation
Christine Nardi	Director of Human Resources
Amanda Molina	Director of Communications

State of New Mexico Middle Rio Grande Conservancy District Organizational Chart





FINANCIAL SECTION





CARR, RIGGS & INGRAM, L.L.C.

Carr, Riggs & Ingram, L.L.C.
2424 Louisiana Boulevard NE
Suite 300
Albuquerque, NM 87110

505.883.2727
505.884.6719 (fax)
CRIadv.com

INDEPENDENT AUDITOR'S REPORT

Joseph M. Maestas, P.E., CFE, New Mexico State Auditor
The Office of Management and Budget and
The Judges of the District Court of the
Second Judicial District of the
State of New Mexico and
The Board of Directors of the State of New Mexico
Middle Rio Grande Conservancy District
Albuquerque, New Mexico

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the budgetary comparisons for the general fund and major special revenue funds that have legally adopted annual budgets of Middle Rio Grande Conservancy District (the District), as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the budgetary comparisons for the general fund and major special revenue funds that have legally adopted annual budgets of the District, as of June 30, 2025 and 2024, and the respective changes in financial position, for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 18 through 28, the GASB required pension schedules on pages 118 through 121, the GASB required other postemployment benefit schedules on pages 122 through 125, and the notes to the required supplementary information on page 126 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. We 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 we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), schedule of collateral pledged by depository for public funds, schedule of deposit and investment accounts, schedule of joint powers agreements, and the budgetary comparison schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 schedule of expenditures of federal awards, schedule of collateral pledged by depository for public funds, schedule of deposit and investment accounts, schedule of joint powers agreements, and the budgetary comparison schedules, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, statistical section, and other disclosures but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 District's 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.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, L.L.C.
Albuquerque, New Mexico
January 16, 2026

State of New Mexico
Middle Rio Grande Conservancy District
Management's Discussion and Analysis
For the Years Ended June 30, 2025 and 2024

Management's Discussion and Analysis of the Middle Rio Grande Conservancy District's (District) Annual Financial Report presents a narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2025. The purpose of the MD&A is to help our constituents and other readers understand what the financial statements and notes say about the financial health of the District and why it has changed since last year. Additional information about the District and its mission can be found in Note 1.

The Middle Rio Grande Conservancy District operates, maintains, and manages irrigation, drainage, and river flood control in the Middle Rio Grande Valley. The District's primary sources of revenue are ad valorem assessments, water service charges, licensing fees, and revenue it collects from operations and maintenance contracts with governmental entities. The District also receives grant funding. The District is required to manage its expenditures within its revenues and available reserves.

Ad Valorem mill rates remained at 6.0693 for residential property and 7.3334 for non-residential property. One (1) mill is strictly dedicated to Capital Expenditures, Debt Service, and Grant Match. Water service charge assessments were increased from \$43.82 to \$51.25 in January 2024, applying to fiscal year 2025 water service charge assessments.

FINANCIAL HIGHLIGHTS

- The District's net position increased by \$10.3 million from \$45.5 million in fiscal year 2024 to \$55.8 million in fiscal year 2025. Assets and deferred outflows exceeded liabilities and deferred inflows at the close of the fiscal year by \$55.8 million (net position). As of June 30, 2025, unrestricted net position totaled \$3.7 million.
- Long-term obligations excluding net pension and net OPEB liability decreased by \$1.4 million during the current fiscal year. Net pension liability increased by \$1.6 million, and net OPEB liability decreased by \$2.5 million.
- As of June 30, 2025, governmental funds reported combined ending fund balances of \$33.4 million. Of the total, \$17.3 million is available for spending at the District's discretion (sum of unassigned and assigned fund balances).
- As of June 30, 2025, the fund balance of the General Fund was \$28.2 million compared to \$26.0 million in fiscal year 2024. The increase was primarily due to encumbrances totaling \$842 thousand rolled forward to fiscal year 2026, and ad valorem revenue exceeding budgeted amounts by \$1.3 million. The Unassigned fund balance of the General Fund was \$16.4 million.

State of New Mexico
Middle Rio Grande Conservancy District
Management's Discussion and Analysis
For the Years Ended June 30, 2025 and 2024

OVERVIEW OF FINANCIAL STATEMENTS

The District's basic financial statements contain three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information to the basic financial statements.

Government-wide financial statements. Government-wide financial statements report information about the District using accounting methods similar to those used by private-sector companies. The statement of net position provides information on the entire District's assets and liabilities, while the statement of activities reflects all the District's revenues and expenses for the current year, regardless of when cash is received or paid.

Fund Financial Statements. Fund financial statements include the balance sheet and statement of revenues, expenditures, and changes in fund balances, and provide more detailed information for the reader about how services were financed in the short-term as well as what remains for future spending. Fund financial statements provide detail about the District's most significant funds. This discussion and analysis should be read in conjunction with the financial statements.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. Types of funds include the general fund, special revenue funds, debt service fund, and capital project fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

State of New Mexico
Middle Rio Grande Conservancy District
Management's Discussion and Analysis
For the Years Ended June 30, 2025 and 2024

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

Government-wide Financial Analysis

Financial Highlights – Statement of Net Position

Below is a comparative analysis of the statement of net position for the most recently completed fiscal year and the prior fiscal year.

<i>June 30,</i>	2025	2024	Variance
Assets and Deferred Outflows of Resources			
Current and other assets	\$ 38,518,170	\$ 34,963,361	\$ 3,554,809
Capital assets, net of accumulated depreciation and amortization	51,561,537	44,049,291	7,512,246
Deferred outflows	5,300,915	5,367,764	(66,849)
<hr/>			
Total assets and deferred outflows of resources	\$ 95,380,622	\$ 84,380,416	\$ 11,000,206
<hr/>			
Liabilities and Deferred Inflows of Resources			
Current liabilities	\$ 3,776,216	\$ 2,459,397	\$ 1,316,819
Long-term liabilities	5,818,365	7,222,050	(1,403,685)
Net pension liability and OPEB liability	24,533,869	25,434,696	(900,827)
Deferred inflows	5,435,461	3,750,008	1,685,453
<hr/>			
Total liabilities and deferred inflows of resources	39,563,911	38,866,151	697,760
<hr/>			
Net position			
Net investment in capital assets	46,917,966	41,547,867	5,370,099
Restricted	5,180,851	4,024,028	1,156,823
Unrestricted (deficit)	3,717,894	(57,630)	3,775,524
<hr/>			
Total net position	55,816,711	45,514,265	10,302,446
<hr/>			
Total liabilities and net position	\$ 95,380,622	\$ 84,380,416	\$ 11,000,206
<hr/>			

- Total assets and deferred outflows of resources increased by \$11.0 million which represents a \$7.5 million increase associated with capital assets and accumulated depreciation and amortization. In addition, there was an increase in assets, of which \$3.6 million is primarily due to an increase in investments and receivables.

State of New Mexico
Middle Rio Grande Conservancy District
Management's Discussion and Analysis
For the Years Ended June 30, 2025 and 2024

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

Government-wide Financial Analysis (continued)

- Deferred outflow of resources decreased by \$67 thousand due to an increase in deferred outflows related to pensions of \$295 thousand and a decrease in deferred outflows related to OPEB liabilities of \$362 thousand.
- Total liabilities and deferred inflows of resources increased by \$700 thousand. Net pension liability increased by \$1.6 million, and net OBEB liability decreased by \$2.5 million; deferred inflows of resources increased by \$1.7 million, and other liabilities decreased by \$100 thousand.

Financial Highlights – Statement of Activities

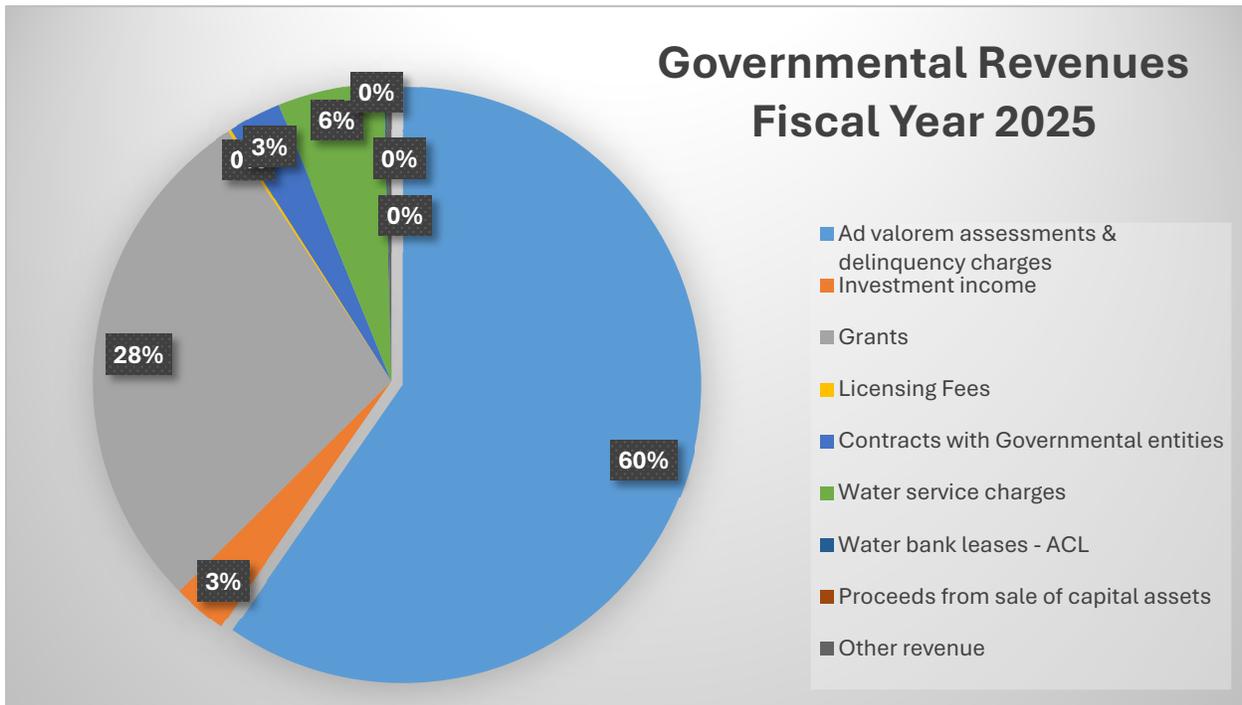
Below is a comparative analysis of the statement of activities for the most recently completed fiscal year and the prior fiscal year.

<i>June 30,</i>	2025	2024	Variance
Program Revenues			
Charges for services	\$ 1,494,512	\$ 1,650,927	\$ (156,415)
Operating grants and contributions	13,855,691	8,012,684	5,843,007
General Revenues			
Ad valorem assessments	29,115,019	27,171,780	1,943,239
Ad valorem interest	222,182	195,493	26,689
Water services charges	2,832,653	2,486,482	346,171
Water bank fees	48,341	49,054	(713)
Investment income	1,436,598	1,392,800	43,798
Proceeds from sale of capital assets	13,051	-	13,051
Other revenue	133,264	134,971	(1,707)
Total revenue	49,151,311	41,094,191	8,057,120
Expenses			
Public works	38,848,865	29,628,573	9,220,292
Total expenses	38,848,865	29,628,573	9,220,292
Increase (decrease) in net position	\$ 10,302,446	\$ 11,465,618	\$ (1,163,172)

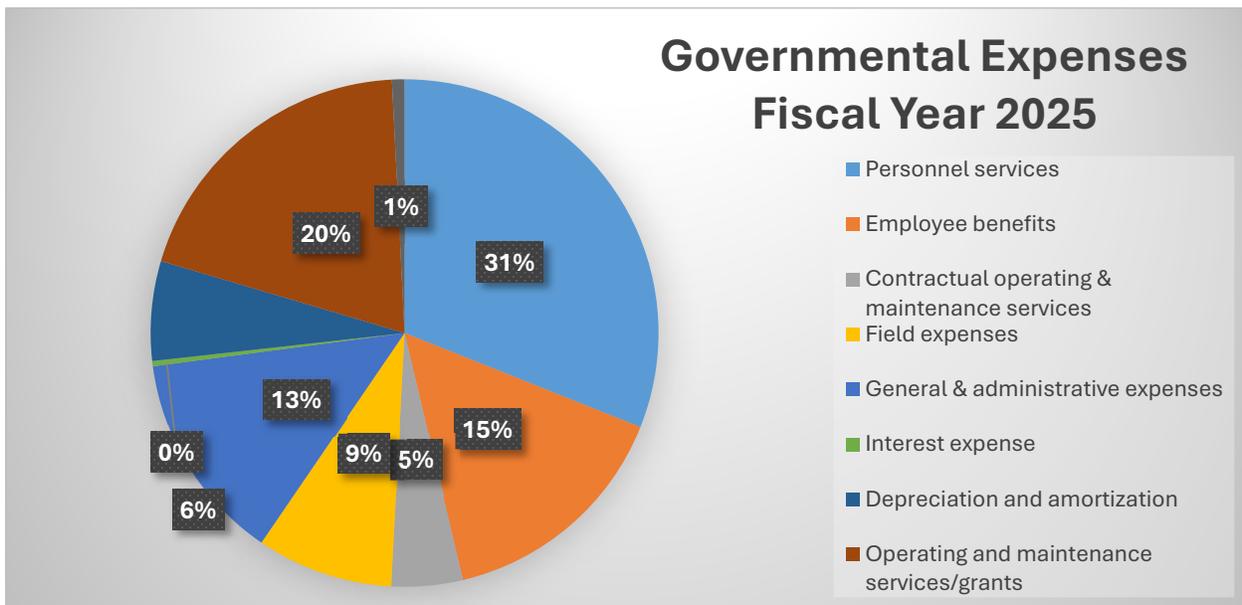
**State of New Mexico
Middle Rio Grande Conservancy District
Management's Discussion and Analysis
For the Years Ended June 30, 2025 and 2024**

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

Government-wide Financial Analysis (continued)



Total revenues increased by 19.7% or \$8.1 million. This was primarily due to increases in operating grants of \$5.8 million and Ad valorem assessments and interest of \$2.0 million; other revenues increased by \$300 thousand.



State of New Mexico
Middle Rio Grande Conservancy District
Management's Discussion and Analysis
For the Years Ended June 30, 2025 and 2024

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

Government-wide Financial Analysis (continued)

Program expenses increased by 31.1% or \$9.2 million in fiscal year 2025 from fiscal year 2024. Employee salaries and benefits increased by \$308 thousand, field expenses increased by \$507 thousand, contractual operating and maintenance services increased by \$670 thousand, and operating and maintenance services/grants increased by \$5.6 million. Personnel services and employee benefits accounted for 46% of the total expenses in fiscal year 2025.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the District's financing requirements. Assigned and unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At the end of the current fiscal year, the District's governmental funds reported a fund balance of \$33.4 million, an increase of \$3.4 million in comparison with the prior year. Of the total balance at year-end, \$1.3 million is non-spendable, \$4.0 million is restricted, \$10.9 million is committed, \$840 thousand is assigned, and \$16.4 million is unassigned. Unassigned fund balance is available for future spending of the District.

Revenues of governmental funds, excluding other financing sources, totaled \$48.6 million in the fiscal year ended June 30, 2025, which represents an increase of \$8.0 million from the previous year of \$40.6 million. The primary reasons are as follows: Ad valorem assessments and delinquency charges increased \$1.9 million from the previous year, water service charges increased by \$346 thousand, and contract and grant revenue increased by \$5.7 million. Other revenue decreased by \$17 thousand. The District's governmental expenditures of \$46.1 million increased by \$3.9 million from the previous year of \$42.2 million. Current operations increased by \$2.9 million, non-capital grant expenditures increased by \$5.6 million, debt activity increased by \$400 thousand, followed by a decrease of capital outlay of \$5.0 million.

General Fund. The General Fund is the District's chief operating fund. At the end of the current fiscal year, the total fund balance was \$28.2 million, of which \$17.3 million is assigned and unassigned, \$9.6 million is committed, and \$1.3 million is non-spendable. The net change in fund balance for the General fund for the current fiscal year was an increase of \$2.2 million. The increase was primarily due to encumbrances totaling \$800 thousand rolled forward to fiscal year 2026, ad valorem revenue exceeding budgeted amounts by \$1.3 million, and other miscellaneous items of \$150 thousand.

State of New Mexico
Middle Rio Grande Conservancy District
Management's Discussion and Analysis
For the Years Ended June 30, 2025 and 2024

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (Continued)

Long-Term Assets (Levee) Fund. The Long-Term Assets (Levee) Fund accounts for cash held for future levee projects. At the end of the current fiscal year, the total fund balance was \$1.2 million, of which \$1.2 million is committed. The net change in fund balance for the Long-Term-Asset Fund (Levee) fund for the current fiscal year was an increase of \$62 thousand primarily from investment income.

Grants Fund. The Grants Fund is used to account for grant revenue and expenditures, including District match related to grants. During the fiscal year, the fund had \$13.9 million in grant revenues, \$15.2 million in expenditures, \$513 thousand in loan proceeds, and \$828 thousand in net transfers.

Capital Investment Fund. The Capital Investment Fund is primarily used to account for revenue related to the 1 mil increase in ad valorem strictly dedicated to capital investment, debt service, and grant match. At the end of the current fiscal year, the total fund balance was \$3.1 million, which all is restricted.

Debt Service Fund. The Debt Service Fund is used to account for the resources to pay loans. At the end of the fiscal year, the total fund balance was \$910 thousand, which is all restricted.

BUDGETARY HIGHLIGHTS

The District prepares its budget each year using historical information combined with knowledge of activities planned for the following year. The budget undergoes internal scrutiny and adjustment by the Treasurer and the CEO. It is then submitted to the Finance Committee before going to the Board of Directors for review and approval. Once the budget is adopted by the Board, it is submitted to the Local Government Division of the State of New Mexico Department of Finance and Administration (DFA) for approval. The preliminary budget must be submitted by June 1st of each year, and the final budget submitted by July 31st of the same year, along with unaudited prior year financial statements approved by the Board. The DFA must approve the budget before its legal enactment. The original fiscal year budget as presented was approved by the District's Board of Directors and DFA. The expenditures of each fund may not legally exceed the budget.

The budgetary comparisons are presented in accordance with GAAP budgetary basis. Encumbrances for fiscal year ended June 30, 2024, totaling \$2,259,633, were carried forward to fiscal year 2025 as a reserve in fund balance.

Budget to Actual General Fund. For fiscal year ended June 30, 2025, the total surplus for the General Fund was \$2,191,242. For fiscal year ended June 30, 2024, the District budgeted for a balanced budget. Prior year encumbrances totaled \$1,042,649 is reserved in fund balance. The Board approved two separate budget adjustments. One increased capital outlay by \$2,033,522 to pay for the Belen Highline Project, and one decreased capital outlay by \$1,063,171 to record a refund from the Army Corps of Engineers related to the San Acacia Levee, recorded in construction in progress.

State of New Mexico
Middle Rio Grande Conservancy District
Management's Discussion and Analysis
For the Years Ended June 30, 2025 and 2024

BUDGETARY HIGHLIGHTS (Continued)

Change in Mill and Water Service Charge Rates

- The District charges a mill rate of 6.0693 for residential customers and 7.3334 for non-residential customers. 1 mill for residential and non-residential is strictly dedicated to Capital Investment and is recorded in the Capital Investment Fund. The water service charge rates increased to \$51.25 per acre in calendar year 2024 based on a cost index.
- The water service charge rate for fiscal year 2025 was \$51.25 per acre. Billings are based on a calendar year and are 1 year in arrears.
- Management continues to monitor its expenses and keep them in line with the needs and requirements of operations.

Ongoing District Commitments

- The District entered into a design agreement with the United States Department of the Army Corps of Engineers (federal government) on the Middle Rio Grande Flood Protection, Bernalillo to Belen Project for the Mountain View Portion (Rio Bravo to Isleta Pueblo Northern Boundary). This project is discussed in detail in Note 15 of the Financial Statements.
- Temporary pumping operations to Corrales irrigators continued in fiscal year 2025. The District completed the design for the new siphon and has signed a right-of-way agreement with Sandia Pueblo. The District expects the siphon to be complete by the end of calendar year 2027.
- The District continues to seek funding to assist with water distribution efficiency improvements and to study the impact of drought conditions. The goal is to create irrigation systems and on-farm efficiencies to reduce the amount of water needed for use by farmers while continuing to meet their demand for agricultural production.

District Contingencies

- District employees and legal advisors participated over a number of years in the development of the 2016 biological opinion (BiOp) related to the silvery minnow, southwestern willow flycatcher, yellow billed cuckoo and the meadow jumping mouse. The biological opinion has a number of conservation measures that the District is working on with the Bureau of Reclamation as the lead federal agency and the NMISC as another partner where several commitments associated with this BiOp and related projects including the Isleta Diversion Dam settlement, are a continuing component of the District's operating budget. In fiscal year 2025, the District agreed to enter into a re-consultation agreement with Wild Earth Guardians. The agreement has not been signed, but it will likely require the District to increase its conservation funding.

State of New Mexico
Middle Rio Grande Conservancy District
Management's Discussion and Analysis
For the Years Ended June 30, 2025 and 2024

BUDGETARY HIGHLIGHTS (Continued)

District Contingencies (continued)

- Due to the continued issues surrounding the rehabilitation of El Vado Dam and the Compact Debt, the District could not store water for late-season use. Without the ability to store water, the District's late-season irrigation deliveries depend highly on the amount of rain received during the monsoon season. The Rio Grande Compact debt is 121,500 acre-feet as of 2025.

Asset Management Plan

- The District has created a Capital Equipment Replacement Plan that identifies the condition of the assets. A budget plan has been implemented to replace assets that are beyond their useful life.
- The District has created a Capital Equipment Replacement Plan that identifies the condition of the assets. A budget plan has been implemented to replace assets that are beyond their useful life.

Contract with the Bureau of Indian Affairs

- The District and BIA have a contract to perform operations and maintenance on the Six Middle Rio Grande Pueblos' facilities on trust lands. A new contract was signed in September 2023 and will remain in effect until February 28, 2027. The agreed-upon payment for each federal fiscal year is negotiated on an annual basis and submitted to Congress for approval.

Five Year Plan

- The Five-Year Forecast serves as a tool to communicate and assess the financial health of the District. The 5-Year Forecast provides historical and projected financial data. Operational and infrastructure needs are considered using the District's Capital Investment Projects Plan. The plan is ongoing and is helping inform management and the Board about out-year operating budgets and capital outlay needs. Specific capital replacements and improvements are included within each budget proposal as a component of the annual budget as well as the longer-term capital acquisition strategies.

State of New Mexico
Middle Rio Grande Conservancy District
Management's Discussion and Analysis
For the Years Ended June 30, 2025 and 2024

CAPITAL ASSETS, RIGHT-TO-USE LEASE ASSETS, SUBSCRIPTION ASSETS, AND DEBT ADMINISTRATION

Capital Assets, Right-to-Use Lease Assets, and Subscription Assets. The District's capital assets, right-to-use assets, and subscription assets of the governmental activities as of June 30, 2025, total \$51.6 million net of accumulated depreciation and amortization. The increase in capital assets in the current fiscal year totaled \$7.5 million. Additional information related to capital assets can be found in the notes to the financial statements.

Capital assets, right-to-use lease assets, and subscription assets of the District's governmental activities are summarized as follows:

<i>June 30,</i>	2025	2024
Land	\$ 554,999	\$ 554,999
Construction in progress	13,765,703	13,204,373
Buildings and improvements	2,682,108	2,747,909
Grounds and yards	279,846	295,243
Office furniture and equipment	230,907	235,241
Computer software	233,012	226,500
Engineering equipment	75,707	65,742
Motor vehicles and trailers	2,673,608	3,044,622
Weed and pest control equipment	185,187	205,154
Heavy field equipment	6,779,499	7,124,661
Shop and field equipment	88,974	88,349
Infrastructure	23,786,952	16,247,736
Right-to-use lease assets	17,611	-
Subscription assets	207,424	8,762
Total	\$ 51,561,537	\$ 44,049,291

Debt Administration. At the end of the current fiscal year, governmental activities had a total of \$6.1 million in long-term obligations related to loans payable, leases payable, subscriptions payable, and settlement agreements. Loans payable are \$5.3 million, of which \$715 thousand is due or payable within the next fiscal year. Leases and subscription payable total \$225 thousand. The Isleta Dam settlement agreement liability is \$630 thousand as of June 30, 2025. Net pension liability increased from \$19.3 million in fiscal year 2024 to \$20.9 million in fiscal year 2025, or by \$1.6 million. The Net OPEB liability decreased from \$6.1 million in fiscal year 2024 to \$3.7 million in fiscal year 2025, representing a decrease of \$2.4 million.

State of New Mexico
Middle Rio Grande Conservancy District
Management's Discussion and Analysis
For the Years Ended June 30, 2025 and 2024

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The District approved a balanced budget for the General Fund. Based on the Five-year Forecast, the District asked the Board of Directors to increase the Water Service Charges to \$59.25 for fiscal year 2026. Ad Valorem revenues were budgeted to increase by 3%. A large portion of the fund balance in the Capital Investment Fund is budgeted to be spent on a grant match in fiscal year 2026.

In fiscal year 2025, the District adopted a resolution establishing a cash budget reserve equal to one-twelfth of the annual operating budget. This policy is intended to support a strong financial position and ensure continuity of operations, while also providing greater flexibility in financial planning. Accordingly, the District has classified \$841 thousand of the General Fund balance as assigned, reflecting management's intent to set aside these resources for this purpose.

CONTACTING DISTRICT MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, legislators, and other stakeholders with a general overview of the District's finances and demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact:

Middle Rio Grande Conservancy District
1931 Second Street SW
P.O. Box 581
Albuquerque, NM 87103
(505) 247-0234



BASIC FINANCIAL STATEMENTS



State of New Mexico
Middle Rio Grande Conservancy District
Statements of Net Position

<i>June 30,</i>	Governmental Activities	
	2025	2024
Assets		
Current assets		
Cash and cash equivalents	\$ 2,371,416	\$ 1,739,900
Investments	16,086,065	13,622,821
Receivables		
Ad valorem assessments, net	3,433,392	3,206,069
Water service and delinquency charges, net	440,129	376,980
Intergovernmental	1,519,586	751,838
Interest	238,227	216,857
Other	40,556	39,531
Inventory	1,225,612	1,063,684
Prepaid expenses	42,201	11,089
Total current assets	25,397,184	21,028,769
Noncurrent assets		
Restricted cash and cash equivalents	339,265	435,144
Restricted investments	12,781,721	13,499,448
Capital assets not being depreciated	14,320,702	13,759,372
Capital assets being depreciated	67,394,948	58,269,081
Less accumulated depreciation	(30,379,148)	(27,987,924)
Right-to-use lease assets	23,481	-
Subscription based assets	267,228	65,942
Less accumulated amortization	(65,674)	(57,180)
Total noncurrent assets	64,682,523	57,983,883
Total assets	90,079,707	79,012,652
Deferred Outflows of Resources		
Deferred outflows - pension	4,778,822	4,484,169
Deferred outflows - OPEB	522,093	883,595
Total deferred outflows of resources	5,300,915	5,367,764
Total assets and deferred outflows of resources	\$ 95,380,622	\$ 84,380,416

(Continued)

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

State of New Mexico
Middle Rio Grande Conservancy District
Statements of Net Position (Continued)

<i>June 30,</i>	Governmental Activities	
	2025	2024
Liabilities		
Current liabilities		
Accounts payable	\$ 1,079,967	\$ 1,544,288
Accrued payroll	437,005	320,885
Accrued interest	15,837	-
Deposit held in trust	554,908	531,645
Customer deposits	71,500	57,700
Other liabilities	-	4,879
Unearned revenue	25,000	-
Compensated absences, current	782,077	670,100
Long-term liabilities, current	809,922	626,590
Total current liabilities	3,776,216	3,756,087
Noncurrent liabilities		
Compensated absences, net of current portion	480,332	479,023
Long-term liabilities, net of current portion	5,338,033	5,446,337
Net pension liability	20,877,162	19,321,798
Other post employment benefit liability	3,656,707	6,112,898
Total noncurrent liabilities	30,352,234	31,360,056
Total liabilities	34,128,450	35,116,143
Deferred Inflows of Resources		
Deferred inflows - pension	904,945	962,861
Deferred inflows - OPEB	4,530,516	2,787,147
Total deferred inflows of resources	5,435,461	3,750,008
Net position		
Net investment in capital assets	46,917,966	41,547,867
Restricted for		
Debt service	910,142	892,282
Capital improvements	3,060,263	1,982,802
Special revenue	1,210,446	1,148,944
Unrestricted (deficit)	3,717,894	(57,630)
Total net position	55,816,711	45,514,265
Total liabilities, deferred inflows of resources,	\$ 95,380,622	\$ 84,380,416

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

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State of New Mexico
Middle Rio Grande Conservancy District
Statements of Activities

	Governmental Activities	
<i>For the years ended June 30,</i>	2025	2024
Program Expenses		
Public works		
Personnel services	\$ 12,060,549	\$ 10,778,750
Employee benefits	5,927,313	5,619,372
Contractual operating and maintenance services	1,763,085	1,093,283
Field expenses	3,376,052	2,869,316
General and administrative expenses	5,197,297	5,240,541
Interest expense	128,440	35,424
Depreciation and amortization	2,462,131	2,164,372
Operating and maintenance services/grants	7,622,856	1,975,196
Impairment loss	311,142	-
Internal costs capitalized	-	(147,681)
Total program expenses	38,848,865	29,628,573
Program Revenues		
Charges for services		
Licensing fees	80,490	85,990
Operations and maintenance contracts		
Federal	1,050,000	780,991
State	-	433,000
Local	364,022	350,946
Operating grants		
Federal	8,305,314	2,536,652
State	5,550,377	5,440,303
Local	-	35,729
Total program revenues	15,350,203	9,663,611
Net program (expenses) revenues	(23,498,662)	(19,964,962)
General Revenues		
Ad valorem assessments	29,115,019	27,171,780
Ad valorem interest	222,182	195,493
Water services charges	2,832,653	2,486,482
Water bank fees	48,341	49,054
Investment income	1,436,598	1,392,800
Gain from sale of capital assets	13,051	-
Other revenue	133,264	134,971
Total general revenues	33,801,108	31,430,580
Change in net position	10,302,446	11,465,618
Net position - beginning of year	45,514,265	34,048,647
Net position - end of year	\$ 55,816,711	\$ 45,514,265

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

State of New Mexico
Middle Rio Grande Conservancy District
Balance Sheet –
Governmental Funds

<i>June 30,</i>	General	Long-Term Assets (Levee)
Assets		
Cash and cash equivalents	\$ 2,371,416	\$ -
Investments	25,668,570	1,754,128
Receivables		
Ad valorem assessments, net	2,956,630	-
Water service and delinquency charges, net	440,129	-
Intergovernmental	-	-
Interest	232,001	6,226
Other	40,556	-
Inventory	1,225,612	-
Prepaid expenses	42,201	-
Due from other funds	-	5,000
Total assets	\$ 32,977,115	\$ 1,765,354
Liabilities, Deferred Inflows of Resources, and Fund Balance		
Liabilities		
Accounts payable	\$ 361,476	\$ -
Accrued payroll	437,005	-
Deposits held in trust	-	554,908
Customer deposits	71,500	-
Unearned revenue	-	-
Other liabilities	-	-
Due to other funds	1,292,724	-
Total liabilities	2,162,705	554,908
Deferred inflows of resources		
Unavailable revenue	2,621,564	-
Total deferred inflows of resources	2,621,564	-
Fund balances		
Nonspendable	1,267,813	-
Spendable		
Restricted	-	-
Committed	9,648,628	1,210,446
Assigned	841,742	-
Unassigned	16,434,663	-
Total fund balances	28,192,846	1,210,446
Total liabilities, deferred inflows of resources, and fund balances	\$ 32,977,115	\$ 1,765,354

(Continued)

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

State of New Mexico
Middle Rio Grande Conservancy District
Balance Sheet –
Governmental Funds (Continued)

			<u>Total Governmental Funds</u>	
Grants	Capital Investment	Debt Service	2025	2024
\$ -	\$ 95,688	\$ 243,577	\$ 2,710,681	\$ 2,175,044
-	778,523	666,565	28,867,786	27,122,269
-	476,762	-	3,433,392	3,206,069
-	-	-	440,129	376,980
1,519,586	-	-	1,519,586	751,838
-	-	-	238,227	216,857
-	-	-	40,556	39,531
-	-	-	1,225,612	1,063,684
-	-	-	42,201	11,089
1,796	2,110,650	-	2,117,446	616,378
\$ 1,521,382	\$ 3,461,623	\$ 910,142	\$ 40,635,616	\$ 35,579,739
\$ 671,660	\$ 46,831	\$ -	\$ 1,079,967	\$ 1,544,288
-	-	-	437,005	320,885
-	-	-	554,908	531,645
-	-	-	71,500	57,700
25,000	-	-	25,000	-
-	-	-	-	4,879
824,722	-	-	2,117,446	616,378
1,521,382	46,831	-	4,285,826	3,075,775
-	354,529	-	2,976,093	2,478,332
-	354,529	-	2,976,093	2,478,332
-	-	-	1,267,813	1,074,773
-	3,060,263	910,142	3,970,405	2,875,084
-	-	-	10,859,074	10,088,220
-	-	-	841,742	1,042,649
-	-	-	16,434,663	14,944,906
-	3,060,263	910,142	33,373,697	30,025,632
\$ 1,521,382	\$ 3,461,623	\$ 910,142	\$ 40,635,616	\$ 35,579,739

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

State of New Mexico
Middle Rio Grande Conservancy District
Balance Sheet –
Governmental Funds (Continued)

<i>June 30, 2024</i>	General	Long-Term Assets (Levee)
Assets		
Cash and cash equivalents	\$ 1,739,900	\$ -
Investments	22,045,657	1,673,265
Receivables		
Ad valorem assessments, net	2,829,976	-
Water service and delinquency charges, net	376,980	-
Intergovernmental	210,000	-
Interest	209,533	7,324
Other	39,531	-
Inventory	1,063,684	-
Prepaid expenses	11,089	-
Due from other funds	616,378	-
Total assets	\$ 29,142,728	\$ 1,680,589
Liabilities, Deferred Inflows of Resources, and Fund Balance		
Liabilities		
Accounts payable	\$ 519,847	\$ -
Accrued payroll	320,885	-
Deposits held in trust	-	531,645
Customer deposits	57,700	-
Other liabilities	-	-
Due to other funds	-	-
Total liabilities	898,432	531,645
Deferred inflows of resources		
Unavailable revenue	2,242,692	-
Total deferred inflows of resources	2,242,692	-
Fund balances		
Nonspendable	1,074,773	-
Spendable		
Restricted	-	-
Committed	8,939,276	1,148,944
Assigned	1,042,649	-
Unassigned	14,944,906	-
Total fund balances	26,001,604	1,148,944
Total liabilities, deferred inflows of resources, and fund balances	\$ 29,142,728	\$ 1,680,589

(Continued)

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

State of New Mexico
Middle Rio Grande Conservancy District
Balance Sheet –
Governmental Funds (Continued)

Grants	Capital Investment	Debt Service	Total Governmental Funds
\$ -	\$ 217,746	\$ 217,398	\$ 2,175,044
-	2,723,584	679,763	27,122,269
-	376,093	-	3,206,069
-	-	-	376,980
541,838	-	-	751,838
-	-	-	216,857
-	-	-	39,531
-	-	-	1,063,684
-	-	-	11,089
-	-	-	616,378
<u>\$ 541,838</u>	<u>\$ 3,317,423</u>	<u>\$ 897,161</u>	<u>\$ 35,579,739</u>
\$ 213,560	\$ 810,881	\$ -	\$ 1,544,288
-	-	-	320,885
-	-	-	531,645
-	-	-	57,700
-	-	4,879	4,879
328,278	288,100	-	616,378
541,838	1,098,981	4,879	3,075,775
-	235,640	-	2,478,332
-	235,640	-	2,478,332
-	-	-	1,074,773
-	1,982,802	892,282	2,875,084
-	-	-	10,088,220
-	-	-	1,042,649
-	-	-	14,944,906
-	1,982,802	892,282	30,025,632
<u>\$ 541,838</u>	<u>\$ 3,317,423</u>	<u>\$ 897,161</u>	<u>\$ 35,579,739</u>

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

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State of New Mexico
Middle Rio Grande Conservancy District
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position

<i>June 30,</i>	2025	2024
Fund balances - total governmental funds	\$ 33,373,697	\$ 30,025,632
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	51,336,502	44,040,529
Right-to-use lease assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	17,611	-
Subscription based information technology agreements used in governmental activities are not financial resources and, therefore, are not reported in the funds	207,424	8,762
Other long-term assets (receivables) are not available to pay current period expenditures and therefore are deferred in the funds.	2,976,093	2,478,332
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future reporting periods and, therefore, are not reported in the funds.		
Deferred outflows - pension	4,778,822	4,484,169
Deferred outflows - OPEB	522,093	883,595
Deferred inflows - pension	(904,945)	(962,861)
Deferred inflows - OPEB	(4,530,516)	(2,787,147)
Certain liabilities, including loans payable, leases, SBITA, current and long-term portions of accrued compensated absences, net pension liability, and other post-employment benefit liability are not due and payable in the current period and, therefore, are not reported in the funds.		
Accrued interest	(15,837)	-
Compensated absences	(1,262,409)	(1,149,123)
Loans payable	(5,293,251)	(5,433,856)
Lease payable	(17,790)	-
Subscription payable	(206,741)	(8,898)
Settlement payable	(630,173)	(630,173)
Net pension liability	(20,877,162)	(19,321,798)
Other post-employment benefit liability	(3,656,707)	(6,112,898)
Net position - governmental activities	\$ 55,816,711	\$ 45,514,265

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

State of New Mexico
Middle Rio Grande Conservancy District
Statement of Revenues, Expenditures and Changes in Fund Balances –
Governmental Funds

<i>For the Year Ended June 30,</i>	General	Long-Term Assets (Levee)
Revenues		
Taxes		
Ad valorem taxes	\$ 24,243,230	\$ -
Ad valorem interest	198,826	-
Water service charges	2,755,937	-
Water bank fees	48,341	-
Licensing fees	80,490	-
Investment income	1,266,067	57,112
Intergovernmental		
Project contract revenue - federal	1,050,000	-
Project contract revenue - state	-	-
Project contract revenue - local	359,022	5,000
Operating and capital grants - federal	-	-
Operating and capital grants - state	-	-
Operating and capital grants - local	-	-
Other	151,281	-
Total revenues	30,153,194	62,112
Expenditures		
Current		
Public works	26,514,481	610
Capital outlay	1,815,702	-
Debt service		
Principal	69,608	-
Interest and other charges	-	-
Total expenditures	28,399,791	610
Excess (deficiency) of revenues over expenditures	1,753,403	61,502
Other financing sources (uses)		
Loan proceeds	-	-
Lease proceeds	23,481	-
Subscription proceeds	261,760	-
Proceeds from sale of capital assets	13,051	-
Transfers in	139,547	-
Transfers (out)	-	-
Total other financing sources (uses)	437,839	-
Net change in fund balances	2,191,242	61,502
Fund balances - beginning of year	26,001,604	1,148,944
Fund balances - end of year	\$ 28,192,846	\$ 1,210,446

(Continued)

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

State of New Mexico
Middle Rio Grande Conservancy District

Statement of Revenues, Expenditures and Changes in Fund Balances –
Governmental Funds (Continued)

	Grants	Capital Investment	Debt Service	Total Governmental Funds	
				2025	2024
\$	-	\$ 4,432,728	\$ -	\$ 28,675,958	\$ 26,789,937
	-	23,356	-	222,182	195,493
	-	-	-	2,755,937	2,360,199
	-	-	-	48,341	49,054
	-	-	-	80,490	85,990
	-	74,955	38,463	1,436,597	1,392,800
	-	-	-	1,050,000	780,991
	-	-	-	-	433,000
	-	-	-	364,022	350,946
	8,305,314	-	-	8,305,314	2,536,652
	5,550,377	-	-	5,550,377	5,440,303
	-	-	-	-	35,729
	-	-	-	151,281	168,330
	13,855,691	4,531,039	38,463	48,640,499	40,619,424
	7,736,868	730,434	-	34,982,393	26,470,705
	7,460,496	1,009,321	-	10,285,519	15,310,905
	-	-	653,966	723,574	399,948
	-	-	112,601	112,601	35,424
	15,197,364	1,739,755	766,567	46,104,087	42,216,982
	(1,341,673)	2,791,284	(728,104)	2,536,412	(1,597,558)
	513,361	-	-	513,361	3,842,792
	-	-	-	23,481	-
	-	-	-	261,760	5,470
	-	-	-	13,051	-
	967,859	-	745,964	1,853,370	4,267,468
	(139,547)	(1,713,823)	-	(1,853,370)	(4,267,468)
	1,341,673	(1,713,823)	745,964	811,653	3,848,262
	-	1,077,461	17,860	3,348,065	2,250,704
	-	1,982,802	892,282	30,025,632	27,774,928
\$	-	\$ 3,060,263	\$ 910,142	\$ 33,373,697	\$ 30,025,632

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

State of New Mexico
Middle Rio Grande Conservancy District
Statement of Revenues, Expenditures and Changes in Fund Balances –
Governmental Funds (Continued)

<i>For the Year Ended June 30, 2024</i>	General	Long-Term Assets (Levee)
Revenues		
Taxes		
Ad valorem taxes	\$ 22,741,048	\$ -
Ad valorem interest	186,187	-
Water service charges	2,360,199	-
Water bank fees	49,054	-
Licensing fees	85,990	-
Investment income	1,284,103	46,222
Intergovernmental		
Project contract revenue - federal	780,991	-
Project contract revenue - state	-	433,000
Project contract revenue - local	350,946	-
Operating and capital grants - federal	-	-
Operating and capital grants - state	29,688	-
Operating and capital grants - local	-	-
Other	161,989	-
Total revenues	28,030,195	479,222
Expenditures		
Current		
Public works	23,715,876	454
Capital outlay	2,716,277	-
Debt service		
Principal	42,088	-
Interest and other charges	-	-
Total expenditures	26,474,241	454
Excess (deficiency) of revenues over expenditures	1,555,954	478,768
Other financing sources (uses)		
Loan proceeds	-	-
Subscription proceeds	5,470	-
Transfers in	168,020	-
Transfers (out)	(2,832,592)	-
Total other financing sources (uses)	(2,659,102)	-
Net change in fund balances	(1,103,148)	478,768
Fund balances - beginning of year	27,104,752	670,176
Fund balances - end of year	\$ 26,001,604	\$ 1,148,944

(Continued)

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

State of New Mexico
Middle Rio Grande Conservancy District

Statement of Revenues, Expenditures and Changes in Fund Balances –
Governmental Funds (Continued)

Grants	Capital Investment	Debt Service	Total Governmental Funds
\$ -	\$ 4,048,889	\$ -	\$ 26,789,937
-	9,306	-	195,493
-	-	-	2,360,199
-	-	-	49,054
-	-	-	85,990
-	39,518	22,957	1,392,800
-	-	-	780,991
-	-	-	433,000
-	-	-	350,946
2,536,652	-	-	2,536,652
5,410,615	-	-	5,440,303
35,729	-	-	35,729
6,341	-	-	168,330
7,989,337	4,097,713	22,957	40,619,424
2,101,864	652,511	-	26,470,705
7,134,139	5,460,489	-	15,310,905
-	-	357,860	399,948
-	-	35,424	35,424
9,236,003	6,113,000	393,284	42,216,982
(1,246,666)	(2,015,287)	(370,327)	(1,597,558)
548,408	2,964,945	329,439	3,842,792
-	-	-	5,470
866,278	2,300,000	933,170	4,267,468
(168,020)	(1,266,856)	-	(4,267,468)
1,246,666	3,998,089	1,262,609	3,848,262
-	1,982,802	892,282	2,250,704
-	-	-	27,774,928
\$ -	\$ 1,982,802	\$ 892,282	\$ 30,025,632

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

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State of New Mexico
Middle Rio Grande Conservancy District
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities

<i>June 30,</i>	2025	2024
Net change in fund balances - total governmental funds	\$ 3,348,065	\$ 2,250,704
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital expenditures	10,285,519	15,163,224
Internal costs capitalized	-	147,681
Depreciation expense	(2,393,165)	(2,122,477)
Amortization expense	(68,966)	(41,895)
Impairment loss	(311,142)	-
Revenues in the statements of activities that do not provide current financial resources are not reported as revenues in the funds.		
Change in unavailable revenue related to ad valorem assessments	439,061	381,843
Change in unavailable revenue related to water service charges	76,716	126,283
Change in unavailable revenue related to customer promissory notes	(18,017)	(33,359)
The issuance of long-term debt (e.g. loans, leases, SBITA) 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.		
Change in accrued interest	(15,839)	-
Change in compensated absences	(113,286)	(79,065)
Payments on leases payable	5,691	10,757
Payments on subscription based IT arrangements	63,917	31,331
Principal payments	653,966	357,860
Loan proceeds	(513,361)	(3,842,792)
Subscription proceeds	(261,760)	(5,470)
Lease proceeds	(23,481)	-
Governmental funds report District pension and other post-employment benefit contributions as expenditures. However, in the statement of activities, the cost of pension and other post-employment benefits earned net of employee contributions is reported as pension or OPEB expense.		
Contributions subsequent to the measurement date - pension	1,257,336	1,139,077
Pension expense	(2,460,128)	(1,973,998)
OPEB benefit (expense)	351,320	(44,086)
Change in net position of governmental activities	\$ 10,302,446	\$ 11,465,618

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

State of New Mexico
Middle Rio Grande Conservancy District
Statement of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual - General Fund

<i>For the year ended June 30, 2025</i>	<u>Budgeted Amounts</u>		Actual	Variances
	Original	Final		Positive (Negative)
				Final to Actual
Revenues				
Taxes				
Ad valorem assessments	\$ 22,944,500	\$ 22,944,500	\$ 24,243,230	\$ 1,298,730
Ad valorem interest	220,000	220,000	198,826	(21,174)
Water service charges	2,725,449	2,725,449	2,755,937	30,488
Water bank fees	30,000	30,000	48,341	18,341
Licensing fees	54,000	54,000	80,490	26,490
Investment income	600,000	600,000	1,266,067	666,067
Project contract revenue				
Federal	850,000	850,000	1,050,000	200,000
Local	350,000	350,000	359,022	9,022
Other	138,000	138,000	151,281	13,281
Total revenues	\$ 27,911,949	\$ 27,911,949	\$ 30,153,194	\$ 2,241,245

(Continued)

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

State of New Mexico
Middle Rio Grande Conservancy District
Statement of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual - General Fund (Continued)

	Budgeted Amounts		Actual	Variances Positive (Negative)
	Original	Final		Final to Actual
<i>For the year ended June 30, 2025</i>				
Expenditures				
Salaries	\$ 11,556,046	\$ 12,374,046	\$ 11,886,539	\$ 487,507
Employee benefits	4,729,825	4,729,825	4,772,893	(43,068)
Employee & board related costs	490,310	422,257	363,904	58,353
General & administrative expenses	603,339	677,554	483,328	194,226
Professional services	607,363	558,702	413,083	145,619
Insurance & legal services	1,597,369	1,527,615	1,443,393	84,222
Technology & communication	835,912	716,701	629,727	86,974
Ad valorem collection fee	479,338	503,673	515,677	(12,004)
Utilities	267,440	236,220	230,630	5,590
Facility maintenance	100,000	109,257	92,978	16,279
Division maintenance, const, rehab	1,388,150	1,511,190	1,372,550	138,640
Vehicle & equipment O&M	2,113,825	2,237,535	2,061,425	176,110
Conservation program	50,000	29,004	3,396	25,608
Federal O&M services	1,763,367	1,763,367	1,763,085	282
Governmental agreements & projects	270,875	396,512	303,801	92,711
Projects	75,000	72,609	55,715	16,894
Endangered species act projects	150,000	98,526	66,984	31,542
Safety program	29,090	27,691	10,635	17,056
Grants				
Wages and fringe benefits	-	-	44,738	(44,738)
Debt service				
Principal retirement	11,000	69,798	69,608	190
Capital outlay	880,000	1,858,807	1,815,702	43,105
Total expenditures	27,998,249	29,920,889	28,399,791	1,521,098
Excess (deficiency) of revenues over expenditures	(86,300)	(2,008,940)	1,753,403	720,147
Other financing sources (uses)				
Lease proceeds	-	-	23,481	23,481
Subscription proceeds	-	-	261,760	261,760
Equipment disposition proceeds	50,000	50,000	13,051	(36,949)
Transfers in	125,000	125,000	139,547	14,547
Total other financing sources (uses)	175,000	175,000	437,839	262,839
Change in fund balance	\$ 88,700	\$ (1,833,940)	\$ 2,191,242	\$ 982,986

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

State of New Mexico
Middle Rio Grande Conservancy District
Statement of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual - General Fund (Continued)

<i>For the year ended June 30, 2024</i>	Budgeted Amounts		Actual	Variances
	Original	Final		Positive (Negative)
				Final to Actual
Revenues				
Taxes				
Ad valorem assessments	\$ 21,664,134	\$ 22,064,134	\$ 22,741,048	\$ 676,914
Ad valorem interest	220,000	220,000	186,187	(33,813)
Water service charges	2,317,500	2,317,500	2,360,199	42,699
Water bank fees	30,000	30,000	49,054	19,054
Licensing fees	83,000	83,000	85,990	2,990
Investment income	500,000	500,000	1,284,103	784,103
Project contract revenue				
Federal	757,988	757,988	780,991	23,003
Local	322,797	322,797	350,946	28,149
Intergovernmental				
State	-	-	29,688	29,688
Other	98,600	98,600	161,989	63,389
Total revenues	\$ 25,994,019	\$ 26,394,019	\$ 28,030,195	\$ 1,636,176

(Continued)

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

State of New Mexico
Middle Rio Grande Conservancy District
Statement of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual - General Fund (Continued)

	Budgeted Amounts		Actual	Variances Positive (Negative)
	Original	Final		Final to Actual
<i>For the year ended June 30, 2024</i>				
Expenditures				
Salaries	\$ 10,758,890	\$ 10,758,890	\$ 10,585,017	\$ 173,873
Employee benefits	4,465,814	4,465,814	4,360,168	105,646
Employee & board related costs	710,289	693,628	677,338	16,290
General & administrative expenses	387,115	628,018	360,957	267,061
Professional services	679,663	610,349	497,343	113,006
Insurance & legal services	1,406,719	1,399,181	1,382,532	16,649
Technology & communication	591,058	648,821	591,312	57,509
Ad valorem collection fee	451,654	451,654	440,925	10,729
Utilities	346,040	237,031	227,610	9,421
Facility maintenance	88,590	86,070	84,336	1,734
Division maintenance, const, rehab	1,335,098	1,339,647	1,132,339	207,308
Vehicle & equipment O&M	2,043,860	2,258,959	1,727,264	531,695
Soils lab expense	13,200	200	200	-
Conservation program	115,000	-	-	-
Federal O&M services	1,093,286	1,093,286	1,093,283	3
Governmental agreements & projects	220,417	277,970	269,743	8,227
Projects	253,408	519,985	97,241	422,744
Endangered species act projects	125,000	86,000	50,000	36,000
Safety program	26,505	19,013	15,336	3,677
Grants				
Wages and fringe benefits	-	-	120,279	(120,279)
Other grant expenditures	-	2,368	2,653	(285)
Debt service				
Principal retirement	10,950	10,950	42,088	(31,138)
Capital outlay	2,434,979	2,369,707	2,716,277	(346,570)
Total expenditures	27,557,535	27,957,541	26,474,241	1,483,300
Excess (deficiency) of revenues over expenditures	(1,563,516)	(1,563,522)	1,555,954	152,876
Other financing sources (uses)				
Subscription proceeds	-	-	5,470	5,470
Equipment disposition proceeds	35,000	35,000	-	(35,000)
Transfers in	-	-	168,020	168,020
Transfers (out)	-	(2,300,000)	(2,832,592)	(532,592)
Total other financing sources (uses)	35,000	(2,265,000)	(2,659,102)	(394,102)
Change in fund balance	\$ (1,528,516)	\$ (3,828,522)	\$ (1,103,148)	\$ (241,226)

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

State of New Mexico
Middle Rio Grande Conservancy District
Statement of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual - Grants Fund

<i>For the year ended June 30, 2025</i>	Budgeted Amounts		Actual	Variances
	Original	Final		Positive (Negative)
				Final to Actual
Revenues				
Intergovernmental				
Operating and capital grants - federal	\$ 14,719,294	\$ 14,719,294	\$ 8,305,314	\$ (6,413,980)
Operating and capital grants - state	17,292,957	17,564,477	5,550,377	(12,014,100)
Total revenues	\$ 32,012,251	\$ 32,283,771	\$ 13,855,691	\$ (18,428,080)
Expenditures				
Professional services	\$ 270,847	\$ 698,887	\$ 397,461	\$ 301,426
Division maintenance, const, rehab	-	2,712	2,712	-
Federal O&M services	-	12,023,520	5,745,233	6,278,287
Governmental agreements & projects	5,217,000	2,516,050	1,564,777	951,273
Projects	9,617,000	1,059,615	26,685	1,032,930
Grants				
Other grant expenditures	20,000	20,000	-	20,000
Capital outlay	20,338,157	19,677,682	7,460,496	12,217,186
Total expenditures	35,463,004	35,998,466	15,197,364	20,801,102
Excess (deficiency) of revenues over expenditures	(3,450,753)	(3,714,695)	(1,341,673)	2,373,022
Other financing sources (uses)				
Loan proceeds	1,741,188	1,741,188	513,361	(1,227,827)
Transfers in	2,121,565	2,121,565	967,859	(1,153,706)
Transfers (out)	(162,000)	(162,000)	(139,547)	22,453
Total other financing sources (uses)	3,700,753	3,700,753	1,341,673	(2,359,080)
Change in fund balance	\$ 250,000	\$ (13,942)	\$ -	\$ 13,942

(Continued)

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

State of New Mexico
Middle Rio Grande Conservancy District
Statement of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual - Grants Fund (Continued)

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
<i>For the year ended June 30, 2024</i>	Original	Final	Actual	Final to Actual
Revenues				
Intergovernmental				
Operating and capital grants - federal	\$ 5,137,315	\$ 4,827,681	\$ 2,536,652	\$ (2,291,029)
Operating and capital grants - state	7,330,743	7,730,739	5,410,615	(2,320,124)
Operating and capital grants - local	41,432	41,432	35,729	(5,703)
Other	-	6,341	6,341	-
Total revenues	\$ 12,509,490	\$ 12,606,193	\$ 7,989,337	\$ (4,616,856)
Expenditures				
Salaries	\$ 188,000	\$ 73,298	\$ -	\$ 73,298
Employee & board related costs	-	150	-	150
General & administrative expenses	250,000	309,569	7,885	301,684
Professional services	1,825,852	1,270,200	753,720	516,480
Division maintenance, const, rehab	20,000	52,712	49,169	3,543
Governmental agreements & projects	802,003	2,971,833	1,257,829	1,714,004
Projects	10,738,702	124,572	31,741	92,831
Other grant expenditures	557,500	5,170	1,520	3,650
Capital outlay	150,000	9,751,302	7,134,139	2,617,163
Total expenditures	14,532,057	14,558,806	9,236,003	5,322,803
Excess (deficiency) of revenues over expenditures	(2,022,567)	(1,952,613)	(1,246,666)	705,947
Other financing sources (uses)				
Loan proceeds	795,155	795,155	548,408	(246,747)
Transfers in	1,227,412	1,227,412	866,278	(361,134)
Transfers (out)	-	(69,954)	(168,020)	(98,066)
Total other financing sources (uses)	2,022,567	1,952,613	1,246,666	(705,947)
Change in fund balance	\$ -	\$ -	\$ -	\$ -

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

State of New Mexico
Middle Rio Grande Conservancy District
Statement of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Long-Term Assets (Levee) Fund (Continued)

<i>For the year ended June 30, 2025</i>	<u>Budgeted Amounts</u>		Actual	Variances
	Original	Final		Positive (Negative)
				Final to Actual
Revenues				
Investment income	\$ 50,000	\$ 50,000	\$ 57,112	\$ 7,112
Project Contract revenue				
Local	1,368,000	-	5,000	5,000
Total revenues	\$ 1,418,000	\$ 50,000	\$ 62,112	\$ 12,112
Expenditures				
General & administrative expenses	\$ -	\$ 610	\$ 610	\$ -
Total expenditures	-	610	610	-
Excess (deficiency) of revenues over expenditures	1,418,000	49,390	61,502	12,112
Other financing sources (uses)				
Transfers (out)	(2,055,000)	-	-	-
Total other financing sources (uses)	(2,055,000)	-	-	-
Change in fund balance	\$ (637,000)	\$ 49,390	\$ 61,502	\$ 12,112

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

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The State of New Mexico, Middle Rio Grande Conservancy District (the District) was created in 1923 under the provisions of the Conservancy Act of New Mexico for the purpose of maintaining flood protection, river control, drainage, and water storage for supplementing irrigation needs, constructing and maintaining a distribution system for irrigation and other improvements for public health, safety, convenience and welfare. The District is a political subdivision of the State of New Mexico and a body corporate with all the powers of a public or municipal corporation and operated under an elected Board of Directors (the Board).

Reporting Entity

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable and (c) other organizations 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.

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statement No. 14, as amended by GASB Statement No. 39, GASB Statement No. 61, GASB Statement No. 80, and GASB Statement No. 90. Blended component units, although legally separate entities, are in substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic, but not the only-criterion, for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity. Based upon the application of these criteria, the District has no component units.

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 based on the District as a whole. Interfund activity is eliminated in the government-wide financial statements.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The District does not have any *business-type activities*.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) water service assessments to property owners who have irrigation access, 2) contract revenue from governmental entities to finance operation and maintenance of District infrastructure, 3) operating and capital grants, if any, which finance specific operating and construction activities, and 4) other revenue with a program nature.

The net cost (by function) is normally covered by general revenues (ad valorem assessments, delinquency charges, investment income, and other gains and losses). The District does not currently employ indirect cost allocation systems.

Separate financial statements are provided for governmental funds. The District's activities are all governmental activities and the District did not have proprietary and fiduciary funds during the years ended June 30, 2025 or June 30, 2024. There are no non-major funds.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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. Ad valorem taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility and timing requirements of time, reimbursement and contingencies imposed by the provider are met.

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The 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 government considers ad valorem assessments, water service assessments and contract revenues available if they are collected within 30 days of the end of the current fiscal period. Intergovernmental and grant revenue is considered available if it is expected to be collected within six months and all eligibility requirements have been met. Investment income is considered available when earned. Delinquency charges and other revenue are generally considered measurable and available only when cash is received by the District.

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 other post-employment benefits, are recorded only when payment is due.

General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds.

As a general 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 and other charges between the various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. Major individual governmental funds are reported as separate columns in the fund financial statements.

The major funds presented in the fund financial statements include the following:

The *General Fund* is the operating fund of the District. It accounts for all financial resources, except those required to be accounted for in another fund.

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The *Long-Term Asset (Levee) Fund* accounts for cash held for future levee projects.

The *Grants Fund* is used to account for grant revenue and expenditures including District match related to grants.

The *Capital Investment Fund* is primarily used to account for revenue related to the 1 mill increase in ad valorem strictly dedicated to capital investment.

The *Debt Service Fund* is primarily used to account for payments on the principal and interest related to loans.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities' column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities' column.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand and demand deposits.

State statutes authorize the District to invest in banks, savings and loan associations or credit unions whose accounts are insured by an agency of the United States Government. In addition, the District can invest in certificates of deposit, obligations of the U.S. Government, and the State Treasurer's Local Government Investment Pool (LGIP).

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (continued)

Certain of the District's investments are reported at fair value. The State Treasurer's Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Receivables

The District recognizes receivables on ad valorem assessments and water service delinquency charges that have been levied but have not been collected, net of an allowance for uncollectible amounts. Governmental contracts and grants receivable consist of contractual rights to receive money. Interest receivable represents interest earned on cash and cash equivalents and investments not received by year end. Other receivables include water meter deposits receivable and other miscellaneous receivables.

Ad Valorem and Water Service Assessments

Water service assessments and ad valorem assessments are levied each calendar year, on November 1, based on serviceable, irrigable acreage, as determined by the District, and taxable property valuations as determined by the four county assessors within the District boundaries, respectively. Water service and ad valorem assessments are due in two equal installments on December 1 and May 1 following the levy, after which they become delinquent. At June 30, 2025 and 2024, all receivables for water service and ad valorem assessments are delinquent.

It has been the District's experience that a significant portion of the receivables for water service and ad valorem assessments may not be collected within one year. Lien rights are available to the District on all delinquent water service and ad valorem assessments. The District computes allowances on water service and delinquency charges receivable and ad valorem assessments receivable based on management's determination of balances it believes will be uncollectible.

In the government-wide financial statements, water service and ad valorem assessments are recorded as a receivable and revenue when billed to taxpayers. In the fund financial statements, water service assessments collected by the District and ad valorem assessments remitted by the county assessors to the District within thirty days following year end are recorded as revenue; all water service and ad valorem assessments not collected or remitted within thirty days following year end are reported as deferred inflows of resources.

For the year ending June 30, 2025, water service charge assessments were assessed and levied at a uniform rate per acre of \$51.25 based on acreage approximately 53,175. Ad valorem assessments were assessed and levied at a rate of \$6.0693 per \$1,000 of valuation of residential property and \$7.3334 per \$1,000 valuation of nonresidential property based on valuations determined by the county assessors.

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (continued)

For the year ending June 30, 2024, water service charge assessments were assessed and levied at a uniform rate per acre of \$43.82 based on acreage approximately 52,893. Ad valorem assessments were assessed and levied at a rate of \$6.0693 per \$1,000 of valuation of residential property and \$7.3334 per \$1,000 valuation of nonresidential property based on valuations determined by the county assessors.

Inventories

Inventories consist of expendable supplies and repair parts and are valued on an average cost basis. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Prepaid Expenses

Prepaid expenses include insurance and contract payments to vendors and reflect costs applicable to future accounting periods that are recorded as prepaid items in both the government-wide financial statements and fund financial statements.

Restricted Assets

Certain assets of the District are classified as restricted assets on the statement of net position because their use is limited by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors, grantors, contributors or laws or regulations of other governments. Special restricted asset accounts have been established to account for the sources and uses of these limited use assets as follows:

Loan debt service accounts – Includes certain proceeds from issuance of revenue bonds, as well as certain resources set aside for the repayment of bonds or lease obligations.

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (continued)

Capital Assets

Capital assets, which include property, equipment and infrastructure, are reported in the government-wide financial statements. In accordance with 12-6-10 NMSA 1978, capital assets, other than infrastructure, are defined by the District as assets which have a cost of \$5,000 or more at the date of acquisition. Items on the capital asset listing that were capitalized under previous thresholds can be removed from the capital asset listing. Infrastructure is defined by the District as long-lived capital assets that are normally stationary in nature such as dams, canals, laterals, acequias, waste ways, levees, and riverside and interior drains having a cost of \$100,000 or more and a useful life of 50 years or more. Capital assets purchased, constructed or acquired are carried at historical cost or estimated historical cost. The District capitalizes purchased software and has no internally developed software. Donated capital assets are recorded at the acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs are expensed as incurred.

The majority of the District's infrastructure was constructed or acquired prior to July 1, 1980, and has not been valued. It is management's belief that the net book value of these assets would not be material due to accumulated depreciation. Infrastructure that was built and improved since July 1, 2002 has been capitalized. The District has determined that no infrastructure which meets the District's infrastructure asset policy was purchased, constructed or acquired from July 1, 1980 to July 1, 2002. In addition, the majority of the District's intangible assets, consisting primarily of water rights, was acquired prior to July 1, 1980, and has not been valued.

The District's capital assets include land associated with infrastructure assets. The land underneath and around all major facilities has been recorded at estimated historical cost. The District has been granted easements for right-of-way associated with some of their waterways, which have been recorded as land and at estimated historical costs.

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (continued)

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The District estimates the useful lives of capital assets as follows:

Asset	Years
Buildings and improvements	5-50 years
Grounds and yard	20-40 years
Office furniture and equipment	5-10 years
Computer softwares	5-10 years
Engineering equipment	5-10 years
Motor vehicles and trailers	6-10 years
Weed and pest control equipment	5-15 years
Heavy field equipment	15 years
Shop and field equipment	10-15 years
Infrastructure	20-50 years

Right-to-Use Lease Assets

The District has recorded intangible-right-to-use lease assets as a result of implementing GASB Statement No. 87. The right-to-use assets are initially measured at an amount equal to the initial measurement of the related lease liability. The right-to-use lease assets are amortized on a straight-line basis over the term of the related lease. See note 7 for more information.

Subscription Assets

The District has recorded subscription assets as a result of implementing GASB Statement No. 96. The subscription assets are initially measured at an amount equal to the initial measurement of the related lease liability. The subscription assets are amortized on a straight-line basis over the term of the related lease. See note 7 for more information.

Deferred Outflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until then.

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (continued)

The District has two (2) items that qualify for reporting as deferred outflows of resources, the *deferred outflows related to pensions* and the *deferred outflows related to OPEB*, all reported in the government-wide statement of net position. The deferred outflows related to pensions are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. The deferred outflows related to OPEB are an aggregate of items related to OPEB as calculated in accordance with Codification Section P50: *Postemployment Benefits Other than Pensions – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*.

The deferred outflows related to pensions will be recognized as either pension expense or a reduction in the net pension liability in future reporting years. The deferred outflows related to OPEB will be recognized as either OPEB (benefit) or a reduction in the other post-employment benefit liability in future reporting years.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position 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 future periods and so will not be recognized as an inflow of resources (revenue) until that time.

The District has two (2) items that qualify for reporting as deferred inflows of resources. The *deferred inflows related to pensions* and the *deferred inflows related to OPEB*, all reported in the government-wide statement of net position. The deferred amount on pension are an aggregate of items related to pensions as calculated in accordance with GASB Codification Section P20: *Pension Activities – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. The deferred inflows related to OPEB are an aggregate of items related to OPEB as calculated in accordance with Codification Section P50: *Postemployment Benefits Other than Pensions – Reporting for Benefits Provided through Trusts That Meet Specified Criteria*. The deferred inflows related to pensions will be recognized as a reduction to pension expense in future reporting years. The deferred inflows related to OPEB will be recognized as a reduction to pension (benefit) in future reporting years.

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (continued)

Unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: ad valorem assessments, water service charges and customer promissory notes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

<i>June 30,</i>	2025	2024
Unavailable revenue		
Ad valorem assessments	\$ 2,572,531	\$ 2,133,470
Water service charges	388,522	311,806
Customer promissory notes	15,040	33,056
Total unavailable revenue	\$ 2,976,093	\$ 2,478,332

Accounts Payables

Accounts payables are comprised of expenditures owed to vendors or contractors through June 30, 2025 and June 30, 2024.

Accrued Payroll

Accrued payroll are comprised of the payroll expenditures based on amounts earned by the employees through June 30, 2025 and June 30, 2024, along with applicable benefits payable.

Deposits

Deposits held in trust. In 2007 as part of a design and construction project of improvements to the Albuquerque west levee, the District entered into an agreement with the Albuquerque Metropolitan Arroyo Flood Control Authority (AMAFCA) and the County of Bernalillo (County), whereby AMAFCA and the County each provided \$1 million of the above project cost. The agreement stated, at such time as the District is reimbursed by the federal government for the federal share of the project cost, AMAFCA and the County will receive a pro rata share of the reimbursement. In FY 2020, in lieu of receiving their full pro-rata share of the federal reimbursement, both AMAFCA and the County agreed to allow the District to hold certain amounts due to each entity with a combined total of \$484,391 for use in future levee projects. Amounts are held with LGIP and any interest earned is added to the amounts due to each entity. The combined liability totaling \$554,908 and \$531,645 in the years ended June 30, 2025 and 2024, respectively, is included in the accompanying statements of net position and balance sheets as a deposit held in trust and is being held in the special revenue fund.

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (continued)

Customer deposits. The District has the following deposits held in fiscal year 2025 and 2024 related to special use licenses.

<i>June 30,</i>	2025	2024
Customer deposits		
Special use license deposit	\$ 71,500	\$ 57,700
Total customer deposits	\$ 71,500	\$ 57,700

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. Debt issuance costs and interest are expensed as incurred.

Compensated Absences

District employees are entitled to certain compensated absences based on their employment classification and length of employment. The District records compensated absences based on the estimated leave that is likely to be used, using a FIFO cost flow assumption.

Annual Leave - Qualified employees are entitled to accumulate annual leave which is payable to the employee upon termination or retirement. Employees earn annual leave at the rate of twelve days per year for the first five years of service, eighteen days per year for service of five to twenty years, and twenty-four days per year for over twenty years of service. The maximum accrual of annual leave is 240 hours unless approved by the District's Chief Engineer.

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (continued)

Sick Leave - Qualified employees are entitled to accumulate sick leave, which may be converted upon retirement or termination to annual leave. Employees earn sick leave at the rate of twelve days per year. Employees who have twenty years of service and who are eligible for the public employee's retirement act benefits may convert sick leave to annual leave at the rate of three for two. Otherwise, sick leave hours in excess of 250 hours may be converted to annual leave hours at the rate of three for one. Sick leave hours in excess of 500 hours may be converted to annual leave hours at the rate of two for one. Sick leave hours in excess of 800 hours may be converted to annual leave hours at the rate of three for two.

In accordance with GASB Statement No. 101, *Compensated Absences* (GASB 101), the District has estimated its accrued compensated absences liability using the unified recognition model, which requires accrual for leave attributable to past service that accumulates and is more likely than not to be used or paid. The liability includes amounts expected to be paid upon termination or used as absences, measured at current pay rates and including applicable salary-related payments (such as employer contributions for FICA, Medicare, and retirement plans). The District applies the FIFO method for determining which leave balances are used first when calculating expected usage.

Consistent with GASB 101, the District does not separately track the total amount of new leave earned and the amount used during the year. Instead, the District reports only the net change in the total compensated absences liability from the start to the end of the fiscal year, which is presented in the accompanying financial statements. See note 9 for more information.

Compensatory Time - Qualified employees may elect to treat overtime hours worked as compensatory time. Qualified employees are granted one personal holiday, and several legal holidays as set by the Board for every calendar year.

Lease liability

The District has entered into agreements to lease certain copiers. Lease liabilities qualify as other than short-term leases under GASB Statement No. 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception or, for leases existing prior to the implementation year at the remaining terms of the agreement, using the facts and circumstances available at July 1, 2021. See note 8 for more information.

The District is utilizing the incremental borrowing rate (IBR) of 3% for their copier leases.

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (continued)

Subscription liability

The District has entered into agreements for subscription based information technology arrangements. Subscription liabilities qualify as other than short-term under GASB Statement No. 96 and, therefore, have been recorded at the present value of the future minimum payments as of the date of their inception or, for agreements existing prior to the implementation year at the remaining terms of the agreement, using the facts and circumstances available at July 1, 2022. See note 8 for more information.

The District is utilizing an incremental borrowing rate (IBR) ranging from 2.50% to 3.20% for its subscription-based information technology arrangements.

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 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, 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. Investments are reported at fair value.

Other Postemployment Benefits (OPEB)

As further described in note 13 to the financial statements, the District provides postemployment benefits (OPEB) to qualifying employees upon their retirement.

Deferred Compensation Plan

Employees may elect to participate in a noncontributory deferred compensation plan established in accordance with Internal Revenue Code Section 457. The plan is available to all employees, who may defer up to 25% of gross compensation, subject to Internal Revenue Code limits. The employees make contributions to the plan through payroll withholdings. All contributions withheld from participants by the District are paid to a third party who administers the plan.

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (continued)

Fund Balance Classification Policies and Procedures

Fund Balances

The District has implemented GASB No. 54 and has defined the various categories reported in fund balance. For committed fund balance, the District's highest level of decision-making authority is the Board. The formal action that is required to be taken to establish a fund balance commitment is the Board.

For the classification of fund balances, the District considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. Also, for the classification of fund balances, the District considers committed, assigned, or unassigned amounts to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Nonspendable Fund Balance – Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

At June 30, 2025, the District had nonspendable fund balance categorized in the governmental funds balance sheet in the amount of \$1,267,813. At June 30, 2024, the District had nonspendable fund balance categorized in the governmental funds balance sheet in the amount of \$1,074,773. Fund balance is detailed in note 17.

Restricted and Committed Fund Balance – Restricted fund balances are restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

At June 30, 2025, the District has presented restricted fund balance on the governmental funds balance sheet in the amount of \$3,970,405 for capital projects and debt service. The District has also presented committed fund balance on the governmental funds balance sheet in the amount of \$10,859,074. The details of these fund balance items are located on the governmental funds balance sheet as detailed on note 17.

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Equity (continued)

At June 30, 2024, the District has presented restricted fund balance on the governmental funds balance sheet in the amount of \$2,875,084 for capital projects and debt service. The District has also presented committed fund balance on the governmental funds balance sheet in the amount of \$10,088,220. The details of these fund balance items are located on the governmental funds balance sheet as detailed on note 17.

Assigned fund balance – For assigned fund balance, the Board or an official or body to which the Board delegates the authority is authorized to assign amounts to a specific purpose. The authorization policy is in governmental funds other than the general fund. Assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

Unassigned fund balance – Unassigned fund balance is the residual classification for the General Fund.

Minimum Fund Balance Policy – The District’s policy for maintaining a minimum amount of fund balance for operations is to minimize any sudden and unplanned discontinuity to programs and operations and for unforeseen contingencies. At a minimum, the budget shall ensure that the District holds cash reserves to cover budgeted expenditures from the subsequent fiscal year as well as cash reserves of 1/12th the subsequent budget. During fiscal year ended June 30, 2025, the District had \$2,825,247 and fiscal year ended June 30, 2024, the District had \$5,811,189 with regards to the minimum fund balance policy.

Net Position

Equity is classified as net position and displayed in three components:

Net investment in capital assets – Net position invested in 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. Net investment in capital assets includes \$874,211 and \$2,941,330 of unspent program funds from NMFA loans during fiscal year 2025 and 2024, respectively.

Restricted net position – Consist 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. Descriptions for the related restrictions for net position restricted for “special revenue, debt service, and capital projects” are described in the statement of net position.

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures/Expenses

Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

Program revenues included in the statement of activities are derived directly from the program itself or from parties outside the District’s taxpayer or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District’s general revenues. Program revenues are categorized as (a) charges for services, which include revenues collected for water service assessments, (b) program-specific operating grants, which include revenues received from state and federal sources, to be used as specified within each grant agreement, and (c) program-specific capital grants and contributions, which include revenues from state and federal sources to be used for capital projects. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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 by function and included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the statement of activities.

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred, all other grant requirements have been met and the availability criterion have been met.

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then unrestricted resources as they are needed.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates for the District are management’s estimate of depreciation on assets over their estimated useful lives, net pension liability and the related deferred inflows and outflows of resources, the other post-employment benefits liabilities and the related deferred inflows and outflows of resources, allowance for doubtful accounts, and the current portion of accrued compensated absences.

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, January 16, 2026. No subsequent events occurring after this date have been evaluated for inclusion in these comparative financial statements.

Recently Issued and Implemented Accounting Pronouncements

During the fiscal year ended June 30, 2025, the District implemented GASB Statement No. 101, *Compensated Absences* and GASB Statement No. 102, *Certain Risk Disclosures*. The implementation of these statements did not have a significant impact on the District's financial statements because the activities of the District were not affected by the statement in a material manner.

During the fiscal year ended June 30, 2024, the District adopted GASB Statement No. 100, *Accounting Changes and Error Corrections*.

The implementation of this statement had an impact on the District related to accounting changes and error corrections.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

GASB Statement No. 103, *Financial Reporting Model Improvements*. The requirements of this Statement aim to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. Earlier application is encouraged.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*. The requirements of this Statement aim to improve reporting on capital assets by separately disclosing specific types of capital assets in financial statement notes. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. Earlier application is encouraged.

The District is evaluating the requirements of the above statements and the impact on reporting.

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 2: CHANGE IN ACCOUNTING PRINCIPLE AND RECLASSIFICATIONS

During fiscal year 2025, the District implemented the requirements of GASB Statement No. 101, Compensated Absences. The implementation did not affect the measurement or recognition of compensated absences. The only change was the presentation of these amounts in the financial statements.

Previously, compensated absences were reported within Long-Term Liabilities on the Statement of Net Position. Compensated absences are now presented as a separate line item titled Compensated Absences. This change represents a reclassification and does not affect beginning balances or total liabilities.

During fiscal year 2024, the District implemented GASB Statement No. 100, *Accounting Changes and Error Corrections*. Management of the District identified a need to revise the estimate related to the allowance for doubtful accounts over the water service charges. This change was necessitated by a change in circumstances.

The effect of this change in estimate has been accounted for prospectively in accordance with GASB Statement No. 100. The impact of this change on the financial statements for the current period is as follows:

- *Description of Change.* Management changed the estimate due to a software upgrade and the ease of placing liens on property.
- *Reason for the Change.* The change was necessary to accurately reflect the amounts that management believes will be collected.
- *Financial Impact.* The change in estimate resulted in an increase in unavailable revenues of \$126,283 and a decrease in the allowance for doubtful accounts by \$121,424 at June 30, 2024.

Management believe that this change provides a more accurate reflection of the District's financial position and results of operations.

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 3: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The District follows defined procedures in establishing the budgetary data reflected in the budgetary comparison schedule. Each year the District determines amounts required for maintenance and operation expenditures. Based on that determination, the mill rate (for ad valorem assessments) and per acre rate (for water service assessments) are determined to bring expected revenues up to expected expenditures. The District submits a proposed budget for the funds to its Board of Directors and to the Local Government Division of the State of New Mexico Department of Finance and Administration (DFA) for the fiscal year commencing the following July 1. DFA must approve the budget prior to its legal enactment. For the year ended June 30, 2024, the District did not adopt a legal budget for the long-term assets (levee) fund.

Expenditures of the funds may not legally exceed the budget. The legal level of budgetary control is at the fund level. Adjustments to the budget must be submitted to and approved by DFA in the form of a "budget adjustment request". During fiscal year 2025 and 2024, the budget was prepared on the GAAP basis of accounting.

For the year ended June 30, 2025 general fund budgeted expenditures exceeded budgeted revenues by \$2,008,940. For the year ended June 30, 2024 general fund budgeted expenditures exceeded budgeted revenues by \$1,563,522.

The accompanying statements of revenues, expenditures and changes in fund balance – budget and actual present comparisons of the legally adopted budget with actual data on a budgetary basis for fiscal years 2025 and 2024.

Note 4: DEPOSITS AND INVESTMENTS

State statutes authorize the investment of 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, 2025 and June 30, 2024.

Deposits of funds may be made in interest bearing 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 collateralized as required by statute. The financial institution must provide pledged collateral for 50% of the deposit amount in excess of the deposit insurance.

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.

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 4: DEPOSITS AND INVESTMENTS (Continued)

Excess 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. The District's accounts are located at an insured depository institution. All noninterest-bearing transaction accounts will be insured by the FDIC up to the standard maximum deposit insurance amount of \$250,000 for all demand deposit accounts held at a single institution in state. The US Bank account is invested in a sweep account that provides FDIC up to \$2.5 million in coverage.

Custodial Credit Risk – Deposits. 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, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). As of June 30, 2025, \$2,389,844 of the District's bank balance of \$2,753,970 was exposed to custodial credit risk; \$2,389,844 was uninsured but collateralized by collateral held by the pledging bank's trust department, but not in the District's name. None of the District's deposits were uninsured and uncollateralized at June 30, 2025.

<u>June 30, 2025</u>	Wells Fargo			
	Bank NM	US Bank		Total
Amount of deposits	\$ 2,639,844	\$ 114,126	\$	2,753,970
FDIC/SIPC coverage	(250,000)	(114,126)		(364,126)
Total uninsured public funds	2,389,844	-		2,389,844
Collateralized by securities held by pledging institutions or by it's Trust Dept. or agent in other than the District's name	2,389,844	-		2,389,844
Uninsured and uncollateralized	\$ -	\$ -	\$	-
Collateral requirement (50% of uninsured funds)	\$ 1,194,922	\$ -	\$	-
Pledged collateral	2,736,197	-		-
Over (under) collateralized	\$ 1,541,275	\$ -	\$	-

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 4: DEPOSITS AND INVESTMENTS (Continued)

As of June 30, 2024, \$1,253,818 of the District's bank balance of \$2,077,011 was exposed to custodial credit risk; \$1,134,053 was uninsured but collateralized by collateral held by the pledging bank's trust department, but not in the District's name. \$119,765 of the District's deposits were uninsured and uncollateralized at June 30, 2024.

<i>June 30, 2024</i>	Wells Fargo Bank NM	US Bank	Total
Amount of deposits	\$ 1,503,818	\$ 573,193	\$ 2,077,011
FDIC/SIPC coverage	(250,000)	(573,193)	(823,193)
Total uninsured public funds	1,253,818	-	1,253,818
Collateralized by securities held by pledging institutions or by it's Trust Dept. or agent in other than the District's name	1,134,053	-	1,134,053
Uninsured and uncollateralized	\$ 119,765	-	\$ 119,765
Collateral requirement (50% of uninsured funds)	\$ 626,909	-	\$ 626,909
Pledged collateral	1,134,053	-	1,134,053
Over (under) collateralized	\$ 507,144	-	\$ 507,144

The collateral pledged is listed on pages 128 and 129 of this report. The types of collateral allowed are limited to direct obligations of the United States Government, all bonds issued by any agency, school district or political subdivision of the State of New Mexico, securities, including student loans, that are guaranteed by the United States or the State of New Mexico, revenue bonds that are underwritten by a member of the financial industry regulatory authority, known as FINRA, and are rated BAA or above by a nationally recognized bond rating service, or letter of credit issued by a federal home loan bank.

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 4: DEPOSITS AND INVESTMENTS (Continued)

Reconciliation of Cash, Cash Equivalents, and Investments

The balances at June 30, 2025.

<i>June 30,</i>	<i>2025</i>
Cash and cash equivalents	\$ 2,371,416
Restricted cash and cash equivalents	339,265
Investments	16,086,065
Restricted investments	12,781,721
<hr/>	
Total cash and cash equivalents and investments	31,578,467
Plus outstanding checks	383,404
Less petty cash	(850)
Less investments	(27,422,698)
Less restricted NMFA investment	(1,445,088)
Less restricted NMFA cash	(339,265)
<hr/>	
Bank balance of deposits	\$ 2,753,970

The balances at June 30, 2024.

<i>June 30,</i>	<i>2024</i>
Cash and cash equivalents	\$ 1,739,900
Restricted cash and cash equivalents	435,144
Investments	13,622,821
Restricted investments	13,499,448
<hr/>	
Total cash and cash equivalents and investments	29,297,313
Plus outstanding checks	337,961
Less petty cash	(850)
Less investments	(23,718,922)
Less restricted NMFA investment	(3,403,347)
Less restricted NMFA cash	(435,144)
<hr/>	
Bank balance of deposits	\$ 2,077,011

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 4: DEPOSITS AND INVESTMENTS (Continued)

Investments

The District has investments held in U.S. Treasury Notes and Money Market Accounts, which are managed by NMFA and in NMFA's name for the benefit of the District. Additionally, the District has U.S. Treasury Money Market Funds held by the New Mexico State Treasurer's Office. The District invests in the New MexiGROW Local Government Investment Pool (LGIP) as authorized by State statute. Participation in the LGIP is voluntary. Further, the District has equity and fixed income securities held at the State Investment Council (SIC) and U.S. Treasury and government sponsored entities held at US Bank.

The LGIP investments are valued at amortized costs. The LGIP is not SEC registered. The New Mexico State Treasurer is authorized to invest the short-term investment funds, with the advice and consent of the State Board of Finance, in accordance with Sections 6-10-10(I) through 6-10-10(P) and Sections 6-10-10.1(A) and (E), NMSA 1978. The pool does not have unit shares. Per Section 6-10-10.(F), NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the LGIP is voluntary.

As of June 30, 2025, the District had the following investments and maturities.

<i>June 30, 2025</i>	Weighted Average Maturities	Fair Value / Amortized Cost	S&P Rating
New MexiGROW LGIP	WAM (R) 18 Days	\$ 15,167,741	AAAm
	WAM (F) 75 Days		
U.S. Treasury Notes	785 Days	666,565	AA+
U.S. Treasury Notes	314 Days	778,523	AA+
U.S. Treasury Notes	N/A	3,627,498	AA+
Government sponsored entities	N/A	2,724,096	AA+
U.S. Large Cap Index Pool	N/A	1,793,649	Unrated
Credit Plus Pool	N/A	3,602,905	Unrated
Core Bonds Pool	N/A	506,809	Unrated
Total investments		\$ 28,867,786	

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 4: DEPOSITS AND INVESTMENTS (Continued)

Investments (continued)

<i>June 30, 2025</i>	<i>< 1 year</i>	<i>1 to 5 years</i>	<i>Total</i>
US Treasury Notes	\$ 1,259,744	\$ 2,367,754	\$ 3,627,498
Government sponsored entities	1,231,924	1,492,172	2,724,096
Total	\$ 2,491,668	\$ 3,859,926	\$ 6,351,594

As of June 30, 2024, the District had the following investments and maturities:

<i>June 30, 2024</i>	<i>Weighted Average Maturities</i>	<i>Fair Value / Amortized Cost</i>	<i>S&P Rating</i>
New MexiGROW LGIP	WAM (R) 30 Days	\$ 12,781,992	AAAm
	WAM (F) 39 Days		
U.S. Treasury Notes	795 Days	679,763	AA+
U.S. Treasury Notes	259 Days	2,723,584	AA+
U.S. Treasury Notes	N/A	3,206,745	AA+
Government sponsored entities	N/A	2,840,360	AA+
U.S. Large Cap Index Pool	N/A	1,551,098	Unrated
Credit Plus Pool	N/A	3,338,727	Unrated
Total investments		\$ 27,122,269	

<i>June 30, 2024</i>	<i>< 1 year</i>	<i>1 to 5 years</i>	<i>Total</i>
US Treasury Notes	\$ 769,830	\$ 2,436,915	\$ 3,206,745
Government sponsored entities	768,426	2,071,934	2,840,360
Total	\$ 1,538,256	\$ 4,508,849	\$ 6,047,105

The District's investment policy does not formally address investment interest rate and credit risks.

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 4: DEPOSITS AND INVESTMENTS (Continued)

Credit Risk

Custodial Credit Risk – Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counter party, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All custodians of the investments of the District are members of the Securities Investor Protection Corporation (SIPC) and the cash accounts are protected up to \$250,000.

With respect to LGIP, public funds are not required to disclose custodial credit risk or concentration risk for external investment pools. However, the LGIP portfolio is posted on the State Treasurer’s website www.nmsto.gov and available for review by participants at any time. The LGIP has no foreign currency risk as all investments in the pool are denominated in U.S. dollars.

Interest Rate Risk – Investments. The District does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

Concentration of Credit Risk – Investments. For an investment, concentration of credit risk is when any one issuer is 5% or more of the investment portfolio of the District. The District has not invested 5% or more in any one issuer.

Foreign Currency Risk – Investments. For an investment, foreign currency risk is the potential risk of loss arising from investments denominated in foreign currencies when there are changes in exchange rates. The potential risk of loss arising from changes in exchange rates can be significant. At June 30, 2025 and 2024, the District held no investments denominated in foreign currencies; and therefore, had no foreign currency risk.

Fair Value Measurement

The fair value framework uses a hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Inputs other than quoted prices that are observable for the asset or liability.

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 4: DEPOSITS AND INVESTMENTS (Continued)

Fair Value Measurement (continued)

- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. See above for discussion of valuation methodologies used to measure fair value of investments.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the District believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The District maintained a balance at June 30, 2025 of \$7,796,682, at year end which required fair value disclosure.

The following table sets forth by level within the fair value hierarchy, the District's assets at fair value as of June 30, 2025:

<i>June 30, 2025</i>	Level 1	Level 2	Level 3	Total
US Treasury Notes	\$ 5,072,586	\$ -	\$ -	\$ 5,072,586
Government sponsored entities	1,266,502	1,457,594	-	2,724,096
Total investments	\$ 6,339,088	\$ 1,457,594	\$ -	\$ 7,796,682

The District maintained a balance at June 30, 2024 of \$9,450,452, at year end which required fair value disclosure.

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 4: DEPOSITS AND INVESTMENTS (Continued)

Fair Value Measurement (continued)

The following table sets forth by level within the fair value hierarchy, the District's assets at fair value as of June 30, 2024:

<i>June 30, 2024</i>	Level 1	Level 2	Level 3	Total
US Treasury Notes	\$ 6,610,092	\$ -	\$ -	\$ 6,610,092
Government sponsored entities	1,609,926	1,230,434	-	2,840,360
Total investments	\$ 8,220,018	\$ 1,230,434	\$ -	\$ 9,450,452

The New Mexico State Investment Council (SIC) investment is valued at the daily closing price as reported by the fund. These investments held by the District are open-end funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price.

Fair Value of Investments in Entities that Use Net Asset Value (NAV) – The following table summarizes investments measured at fair value based on NAV per share as of June 30, 2025:

<i>June 30, 2025</i>	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
US Large Cap Index Pool	\$ 1,793,649	N/A	Monthly	30 days
Credit Plus Pool	3,602,905	N/A	Monthly	30 days
Core Bonds Pool	506,809	N/A	Monthly	30 days
Total	\$ 5,903,363			

<i>June 30, 2024</i>	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
US Large Cap Index Pool	\$ 1,551,098	N/A	Monthly	30 days
Credit Plus Pool	3,338,727	N/A	Monthly	30 days
Total	\$ 4,889,825			

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 4: DEPOSITS AND INVESTMENTS (Continued)

Fair Value Measurement (continued)

Purchases and Sales - written notice of intent to purchase or sell units must be received by the New Mexico State Investment Council (SIC) on or before the fifth business day preceding the valuation date. All notices must be signed by an authorized representative as specified in the applicable joint power agreements. SIC reserves the right to limit a participant's sale to the participant's proportional interest in the current net cash position of the respective pooled investment fund, unless the SIC receives a written notice of intent thirty (30) days prior to the effective date of the sale. All purchases or sales of units are effective as of the first day following the valuation date.

Cash payment for all additions must be received by the SIC in the form of a wire transfer or by interagency cash transfer through the DFA, on or before the third business day following the valuation date. The Office reserves the right to return funds received after this date and cancel that participant's Notice of Intent to purchase units.

Note 5: RECEIVABLES

Receivables as of June 30, 2025, are as follows:

<i>June 30, 2025</i>	General Fund	Long-Term Asset Fund	Grants Fund	Capital Investment Fund	Total
Ad valorem assessments	\$ 3,129,455	\$ -	\$ -	\$ 476,762	\$ 3,606,217
Allowance for doubtful accounts	(172,825)	-	-	-	(172,825)
Ad valorem assessments, net	2,956,630	-	-	476,762	3,433,392
Water service and delinquency charges	674,117	-	-	-	674,117
Allowance for doubtful accounts	(233,988)	-	-	-	(233,988)
Water service charges, net	440,129	-	-	-	440,129
Intergovernmental					
Federal operating grants	-	-	367,931	-	367,931
State operating grants	-	-	1,151,655	-	1,151,655
Interest	232,001	6,226	-	-	238,227
Other	40,556	-	-	-	40,556
Total receivables	\$ 3,669,316	\$ 6,226	\$ 1,519,586	\$ 476,762	\$ 5,671,890

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 5: RECEIVABLES (Continued)

Receivables as of June 30, 2024, are as follows:

<i>June 30, 2024</i>	General Fund	Long-Term Asset Fund	Grants Fund	Capital Investment Fund	Total
Ad valorem assessments	\$ 3,029,158	\$ -	\$ -	\$ 376,093	\$ 3,405,251
Allowance for doubtful accounts	(199,182)	-	-	-	(199,182)
Ad valorem assessments, net	2,829,976	-	-	376,093	3,206,069
Water service and delinquency charges	585,374	-	-	-	585,374
Allowance for doubtful accounts	(208,394)	-	-	-	(208,394)
Water service charges, net	376,980	-	-	-	376,980
Intergovernmental					
Federal operating grants	-	-	92,423	-	92,423
State operating grants	210,000	-	449,415	-	659,415
Interest	209,533	7,324	-	-	216,857
Other	39,531	-	-	-	39,531
Total receivables	\$ 3,666,020	\$ 7,324	\$ 541,838	\$ 376,093	\$ 4,591,275

Note 6: INTERFUND TRANSFERS

During fiscal year 2025, the District had the following transfer activity:

Transfer In	Transfer Out	Amount
General Fund	Grants Fund	\$ 139,547
Grants Fund	Capital Investment Fund	967,859
Debt Service Fund	Capital Investment Fund	745,964
Totals		\$ 1,853,370

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 6: INTERFUND TRANSFERS (Continued)

During fiscal year 2024, the District had the following transfer activity:

Transfer In	Transfer Out	Amount
General Fund	Grants Fund	\$ 168,020
Grants Fund	Capital Investment Fund	866,278
Capital Investment Fund	General Fund	2,300,000
Debt Service Fund	Capital Investment Fund	400,578
Debt Service Fund	General Fund	532,592
Totals		\$ 4,267,468

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 7: CAPITAL ASSETS

The following is a summary of capital assets and changes occurring during the year ended June 30, 2025. Land and construction in progress are not subject to depreciation.

<i>June 30, 2025</i>	Balance June 30, 2024	Transfers	Additions	Deletions	Balance June 30, 2025
Capital assets not being depreciated					
Land	\$ 554,999	\$ -	\$ -	\$ -	\$ 554,999
Construction in progress	13,204,373	(8,279,791)	9,152,263	311,142	13,765,703
Total capital assets not being depreciated	13,759,372	(8,279,791)	9,152,263	311,142	14,320,702
Capital assets, right to use lease assets and subscription assets being depreciated					
Buildings and improvements	5,339,262	82,194	26,047	-	5,447,503
Grounds and yard	308,435	-	-	-	308,435
Office furniture and equipment	797,647	-	47,830	-	845,477
Computer software	885,356	-	76,812	-	962,168
Engineering equipment	195,096	-	23,240	-	218,336
Motor vehicles and trailers	11,211,359	(1)	182,673	-	11,394,031
Weed and pest control equipment	591,852	-	-	1,941	589,911
Heavy field equipment	15,306,182	-	441,946	-	15,748,128
Shop and field equipment	291,516	-	12,702	-	304,218
Infrastructure	23,342,376	8,197,598	36,767	-	31,576,741
Right to use lease assets	-	-	23,481	-	23,481
Subscription assets	65,942	-	261,758	60,472	267,228
Total capital assets, right to use lease assets and subscription assets being depreciated	58,335,023	8,279,791	1,133,256	62,413	67,685,657
Total capital assets, right to use lease assets and subscription assets	72,094,395	-	10,285,519	373,555	82,006,359
Less accumulated depreciation and amortization					
Buildings and improvements	2,591,353	-	174,042	-	2,765,395
Grounds and yard	13,192	-	15,397	-	28,589
Office furniture and equipment	562,406	-	52,164	-	614,570
Computer software	658,856	-	70,300	-	729,156
Engineering equipment	129,354	-	13,275	-	142,629
Motor vehicles and trailers	8,166,737	-	553,686	-	8,720,423
Weed and pest control equipment	386,698	-	19,967	1,941	404,724
Heavy field equipment	8,181,521	-	787,108	-	8,968,629
Shop and field equipment	203,167	-	12,077	-	215,244
Infrastructure	7,094,640	-	695,149	-	7,789,789
Right to use lease assets	-	-	5,870	-	5,870
Subscription assets	57,180	-	63,096	60,472	59,804
Total accumulated depreciation and amortization	28,045,104	-	2,462,131	62,413	30,444,822
Total capital assets, right to use lease assets and subscription assets, net of depreciation and amortization	\$ 44,049,291	\$ -	\$ 7,823,388	\$ 311,142	\$ 51,561,537

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 7: CAPITAL ASSETS (Continued)

The following is a summary of capital assets and changes occurring during the year ended June 30, 2024. Land and construction in progress are not subject to depreciation.

<i>June 30, 2024</i>	Balance June 30, 2023	Transfers	Additions	Deletions	Balance June 30, 2024
Capital assets not being depreciated					
Land	\$ 554,999	\$ -	\$ -	\$ -	\$ 554,999
Construction in progress	5,925,665	(4,153,511)	11,432,219	-	13,204,373
Total capital assets not being depreciated	6,480,664	(4,153,511)	11,432,219	-	13,759,372
Capital assets, right to use lease assets and subscription assets being depreciated					
Buildings and improvements	5,140,826	138,336	60,100	-	5,339,262
Grounds and yard	48,420	-	260,015	-	308,435
Office furniture and equipment	784,267	-	13,380	-	797,647
Computer software	863,831	-	21,525	-	885,356
Engineering equipment	185,869	-	9,227	-	195,096
Motor vehicles and trailers	9,848,511	373,798	1,011,738	22,688	11,211,359
Weed and pest control equipment	514,105	-	77,747	-	591,852
Heavy field equipment	13,316,210	(373,798)	2,363,770	-	15,306,182
Shop and field equipment	236,208	-	55,308	-	291,516
Infrastructure	19,326,796	4,015,174	406	-	23,342,376
Right to use lease assets	32,239	-	-	32,239	-
Subscription assets	60,472	-	5,470	-	65,942
Total capital assets, right to use lease assets and subscription assets being depreciated	50,357,754	4,153,510	3,878,686	54,927	58,335,023
Total capital assets, right to use lease assets and subscription assets	56,838,418	(1)	15,310,905	54,927	72,094,395
Less accumulated depreciation and amortization					
Buildings and improvements	2,423,337	-	168,016	-	2,591,353
Grounds and yard	6,751	-	6,441	-	13,192
Office furniture and equipment	512,934	-	49,472	-	562,406
Computer software	592,210	-	66,646	-	658,856
Engineering equipment	117,794	-	11,560	-	129,354
Motor vehicles and trailers	7,557,403	83,544	548,478	22,688	8,166,737
Weed and pest control equipment	370,103	-	16,595	-	386,698
Heavy field equipment	7,569,232	(83,545)	695,834	-	8,181,521
Shop and field equipment	191,984	-	11,183	-	203,167
Infrastructure	6,546,388	-	548,252	-	7,094,640
Right to use lease assets	21,492	-	10,747	32,239	-
Subscription assets	26,032	-	31,148	-	57,180
Total accumulated depreciation and amortization	25,935,660	(1)	2,164,372	54,927	28,045,104
Total capital assets, right to use lease assets and subscription assets, net of depreciation and amortization	\$ 30,902,758	\$ -	\$ 13,146,533	\$ -	\$ 44,049,291

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 7: CAPITAL ASSETS (Continued)

The District has lease liabilities associated with the right-to-use lease assets and subscription liabilities associated with the subscription assets as of June 30, 2025 which are further described in note 8. Depreciation expense totaled \$2,393,165 for the year ended June 30, 2025 and has been charged to the function of public works. Amortization of right-to-use lease assets and subscription assets totaled \$68,966 for the year ended June 30, 2025 and has been charged to the function of public works.

The District has subscription liabilities associated with the subscription assets as of June 30, 2024 which are further described in note 8. Depreciation expense totaled \$2,122,477 for the year ended June 30, 2024 and has been charged to the function of public works. Amortization of right-to-use lease assets and subscription assets totaled \$41,895 for the year ended June 30, 2024 and has been charged to the function of public works.

Impairment of Capital Assets

During the year ended June 30, 2025, the government recognized an impairment loss related to construction in progress for two construction projects that have been placed on hold. The projects included design costs incurred in a prior year totaling \$311,142. Because the existing designs will not be utilized and new designs will be required if the projects resume, the previously capitalized costs no longer represent service utility and have been written down.

The impairment loss is reported as part of impairment loss in the government-wide Statement of Activities in accordance with GASB Statement No. 42.

Note 8: LONG-TERM LIABILITIES

During the year ended June 30, 2025, the following changes occurred in the liabilities reported in the government-wide statement of net position.

<i>June 30, 2025</i>	Balance June 30, 2024	Additions	Retirements	Balance June 30, 2025	Due Within One Year
Loans payable	\$ 5,433,856	\$ 513,361	\$ 653,966	\$ 5,293,251	\$ 715,961
Leases payable	-	23,481	5,691	17,790	6,218
Subscriptions payable	8,898	261,760	63,917	206,741	87,743
Settlement agreement	630,173	-	-	630,173	-
Total long term liabilities	\$ 6,072,927	\$ 798,602	\$ 723,574	\$ 6,147,955	\$ 809,922

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 8: LONG-TERM LIABILITIES (Continued)

During the year ended June 30, 2024, the following changes occurred in the liabilities reported in the government-wide statement of net position:

<i>June 30, 2024</i>	Balance June 30, 2023	Additions	Retirements	Balance June 30, 2024	Due Within One Year
Loans payable	\$ 1,948,924	\$ 3,842,792	\$ 357,860	\$ 5,433,856	\$ 618,035
Leases payable	10,757	-	10,757	-	-
Subscriptions payable	34,759	5,470	31,331	8,898	8,555
Settlement agreement	630,173	-	-	630,173	-
Total long term liabilities	\$ 2,624,613	\$ 3,848,262	\$ 399,948	\$ 6,072,927	\$ 626,590

Loans payable. The District entered into four loan agreements with the New Mexico Finance Authority. The NMFA loans are as follows:

During the fiscal year ended June 30, 2014, the District received approval for a loan from the New Mexico Finance Authority (NMFA) in the amount of \$150,396 bearing interest at a rate of 0.25% for the completion of the first phase of the United States Army Corps of Engineers San Acacia to Bosque del Apache Unit Levee project. Net revenues from the general operations of the District are pledged in repayment of this loan. In the event of default, the repayment of outstanding amounts could become immediately due.

In June 2018, the District entered into a loan agreement with NMFA in the amount of \$2,735,575 for the purpose of financing equipment and certain apparatus. The loan bears interest at a rate of 2.25%. Net revenues from the general operations of the District are pledged in repayment of this loan. Principal payments are due annually and interest payments are due semi-annually through April 2028. In the event of default, the repayment of outstanding amounts could become immediately due.

In December 2021, the District entered into a loan agreement with NMFA in the amount of \$998,889 for the purpose of financing heavy equipment and respective apparatus. The loan bears interest at a blended rate of 0.720425%. Net revenues from the general operations of the District are pledged in repayment of this loan. Principal payments are due annually and interest payments are due semi-annually through May 2028. In the event of default, the repayment of outstanding amounts could become immediately due.

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 8: LONG-TERM LIABILITIES (Continued)

In December 2022, the District entered into a loan agreement with NMFA, which shall not exceed the amount of \$715,000 for the purpose of storage, conveyance or delivery of water to end users. The loan bears interest at 0.25%. Net revenues from the general operations of the District are pledged in repayment of this loan. Principal payments are due annually and interest payments are due semi-annually through June 2044. In the event of default, the repayment of outstanding amounts could become immediately due. During fiscal year ended June 30, 2025, the District had additions of \$156,524 related to the loan. During fiscal year ended June 30, 2024, the District had additions of \$506,164 related to the loan.

In November 2023, the District entered into a loan/grant agreement with NMFA. The amount of the grant is \$6,372,000 and the loan portion is \$708,000 for the purpose of storage, conveyance or delivery of water to end users. The loan bears an administrative fee of 0.25%. Net revenues from the general operations of the District are pledged in repayment of this loan. Principal payments are due annually and interest payments are due semi-annually through June 2045. In the event of default, the repayment of outstanding amounts could become immediately due. During fiscal year ended June 30, 2025, the District had additions of \$15,347 related to the loan. During fiscal year ended June 30, 2024, the District had additions of \$42,244 related to the loan.

In March 2024, the District entered into a loan agreement with NMFA in the amount of \$3,294,384 for the purpose of purchasing heavy, medium and light equipment and their respective apparatus. The loan bears interest at 2.41%. Net revenues from the general operations of the District are pledged in repayment of this loan. Principal payments are due annually and interest payments are due semi-annually through May 2031. In the event of default, the repayment of outstanding amounts could become immediately due.

In September 2024, the District entered into a loan/grant agreement with NMFA. The amount of the grant is \$10,000,000 and the loan portion is \$1,000,000 for the purpose of storage, conveyance or delivery of water to end users. The loan bears an administrative fee of 0.25%. Net revenues from the general operations of the District are pledged in repayment of this loan. Principal payments are due annually and interest payments are due semi-annually beginning June 1, 2027 and ending June 1, 2046 (final maturity assumes full draw of the \$1,000,000 loan; as of June 30, 2025, \$341,490 has been drawn, leaving \$658,510 available). In the event of default, the repayment of outstanding amounts could become immediately due. During fiscal year ended June 30, 2025, the District had additions of \$341,490 related to the loan.

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 8: LONG-TERM LIABILITIES (Continued)

Future loans payable at June 30, 2025 are as follows:

<i>Fiscal years ending June 30,</i>	Principal		Interest		Total
2026	\$	715,961	\$	105,089	\$ 821,050
2027		771,996		95,350	867,346
2028		769,245		75,134	844,379
2029		788,865		63,313	852,178
2030		817,442		46,595	864,037
2031 - 2035		1,105,619		60,408	1,166,027
2036 - 2040		181,077		3,192	184,269
2041 - 2044		143,046		916	143,962
Total	\$	5,293,251	\$	449,997	\$ 5,743,248

Leases payable. The District accounts for leases in accordance with GASB Section L20, *Leases*. The District has entered into a new lease agreement for copiers during the fiscal year ended June 30, 2025. The lease agreement has been recorded at the present value of future lease payments as of the lease commencement date, using the facts and circumstances available at that time.

Lease liabilities and right-to-use assets were composed of the following as of June 30, 2025:

<i>June 30, 2025</i>	Effective Date	End Date	Borrowing Rate	Lease Liability	Lease Asset, net Amortization
Copiers	7/1/2024	6/30/2028	3%	\$ 17,790	\$ 17,611
Total				\$ 17,790	\$ 17,611

The future minimum payments on the leases as of June 30, 2025 were as follows:

<i>Fiscal years ending June 30,</i>	Principal		Interest		Total
2026	\$	6,218	\$	449	\$ 6,667
2027		6,407		260	6,667
2028		5,165		65	5,230
Total	\$	17,790	\$	774	\$ 18,564

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 8: LONG-TERM LIABILITIES (Continued)

During the fiscal year ended June 30, 2024, the previous copier lease was paid in full.

Subscription payable. The District has entered into agreements for subscription based information technology arrangements (SBITA). The agreements have been recorded at the present value of future SBITA payments as of the date of their inception or, for SBITA existing prior to the implementation year, at the remaining terms of the agreement, using the facts and circumstances available at July 1, 2023.

Subscription payables and subscription assets were composed of the following as of June 30, 2025:

<i>June 30, 2025</i>	Effective Date	End Date	Borrowing Rate	Subscription Liability	Subscription Asset, net Amoritzation
Baracuda	2/27/2024	7/25/2025	3.20%	\$ 343	\$ 1,447
TIG Datto 25	10/1/2024	9/30/2027	2.50%	59,316	59,152
DLT Auto Cad 25	10/1/2024	9/30/2027	2.50%	11,891	11,858
ESRI	12/18/2024	12/17/2027	2.50%	135,191	134,967
Total				\$ 206,741	\$ 207,424

The future minimum payments on the subscription payable as of June 30, 2025 were as follows:

<i>Fiscal years ending June 30,</i>	Principal	Interest	Total
2026	\$ 87,743	\$ 780	\$ 88,523
2027	89,207	311	89,518
2028	29,791	15	29,806
Total	\$ 206,741	\$ 1,106	\$ 207,847

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 8: LONG-TERM LIABILITIES (Continued)

Subscription payables and subscription assets were composed of the following as of June 30, 2024:

<i>June 30, 2024</i>	Effective Date	End Date	Borrowing Rate	Subscription Liability	Subscription Asset, net Amortization
Cloud retention	9/1/2022	8/31/2024	1.25%	\$ 3,915	\$ 4,194
Auto CAD	7/1/2022	8/29/2024	1.25%	771	385
Baracuda	2/27/2024	7/25/2024	3.20%	4,212	4,183
Total				\$ 8,898	\$ 8,762

Settlement agreement. The settlement payable liability recorded in the government-wide statement of net position is related to an agreement entered into among the District, the Pueblo of Isleta (Pueblo) and the United States Bureau of Reclamation effective October 2016. Through the agreement, the District is obligated to contribute \$2,500,000 to the Pueblo in cash or in-kind services over ten years from the effective date of the agreement. The District reported a liability related to the settlement agreement in the statement of net position of \$630,173 and \$630,173 for the years ended June 30, 2025 and 2024, respectively. Because the full amount is not required to be paid until October 2026, the liability has been reported as non-current.

Note 9: COMPENSATED ABSENCES

The liability at June 30, 2025 and June 30, 2024 has been recorded in the basic financial statements and represents the District's commitment to fund accrued vacation, sick leave and compensatory time off costs from future operations. The compensated absence liability of the governmental funds is expected to be liquidated by the General Fund.

The District had a liability for compensated absences as of June 30, 2025 as follows:

<i>June 30, 2025</i>	Balance June 30, 2024	Net Change	Balance June 30, 2025	Current Portion
Annual	\$ 672,603	\$ (2,697)	\$ 669,906	\$ 669,906
Comp	30,061	16,391	46,452	46,452
Personal Holiday	65,105	(10,564)	54,541	54,541
Sick	364,931	108,540	473,471	-
Medicare	16,423	1,616	18,039	11,178
Total	\$ 1,149,123	\$ 113,286	\$ 1,262,409	\$ 782,077

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 9: COMPENSATED ABSENCES (Continued)

The District had a liability for compensated absences as of June 30, 2024 as follows:

<i>June 30, 2024</i>	Balance June 30, 2023	Net Change	Balance June 30, 2024	Current Portion
Annual	\$ 811,736	\$ (139,133)	\$ 672,603	\$ 565,356
Comp	46,100	(16,039)	30,061	30,061
Personal Holiday	34,410	30,695	65,105	65,105
Sick	162,519	202,412	364,931	-
Medicare	15,293	1,130	16,423	9,578
Total	\$ 1,070,058	\$ 79,065	\$ 1,149,123	\$ 670,100

Note 10: 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 carries commercial insurance for these risks of loss, including workers' compensation insurance. In the year ended June 30, 2025 and June 30, 2024, claims did not exceed commercial insurance.

Note 11: OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

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

- A. Deficit fund balance of individual funds. There were no funds with deficit fund balance as of June 30, 2025 and June 30, 2024.
- B. Excess of expenditures over budget authority. There were no funds with expenditures in excess of budget authority for the year ended June 30, 2025 and June 30, 2024.
- C. Designated cash appropriations in excess of available balances. There were no funds with appropriations exceeding approved budgetary authority for the year ended June 30, 2025 and June 30, 2024.

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 12: PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

General Information about the Pension Plan

Plan description. The Public Employees Retirement Fund (PERA) 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-7, 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 survivors' annuities are also available.

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 12: PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

General Information about the Pension Plan (continued)

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 five years of service credit and the sum of the member's age and service credit equals at least 85 or at age 65 with 5 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 5 or more years of service credit. Generally, under Tier II pension factors were reduced by 0.5%, employee Contribution increased 1.5 percent and effective July 1, 2014 employer contributions were raised 0.05 percent. The computation of final average salary increased as the average of salary for 60 consecutive months.

Contributions. See PERA's Annual Comprehensive Financial Report for a summary of various statutory PERA coverage rates, for both Tier I and Tier II, on page 37 of the annual audit report at <http://www.nmpera.org/financial-overview/retirement-fund-valuation-reports/>. The PERA coverage option that applies to the District is: Municipal General Division. Statutorily required contributions to the pension plan from the District were \$1,257,336 and \$1,139,077 for the years ended June 30, 2025 and June 30, 2024, respectively.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2024 using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date of June 30, 2024. There were no significant events or changes in benefit provision that required an adjustment to the roll-forward liabilities as of June 30, 2023. 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.

For PERA Fund Municipal General Division, at June 30, 2025, the District reported a liability of \$20,877,162 for its proportionate share of the net pension liability. At June 30, 2025, the District's proportion was 0.8749 percent, which was a decrease of 0.0376 percent from its proportion measured as of June 30, 2023.

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 12: PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

For the year ended June 30, 2025, the District recognized PERA Fund Municipal General Division pension expense of \$2,460,128. At June 30, 2025, the District reported PERA Fund Municipal General Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

<i>June 30, 2025</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion	\$ -	\$ 827,089
Difference between expected and actual experience	1,982,698	77,856
Net difference between projected and actual earnings on pension plan investments	867,521	-
Changes of assumptions	671,267	-
District's contributions subsequent to the measurement date	1,257,336	-
Total	\$ 4,778,822	\$ 904,945

\$1,257,336 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date June 30, 2024 will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<i>For the years ending June 30,</i>		
2025	\$	396,028
2026		2,020,518
2027		292,833
2028		(92,838)
Total	\$	2,616,541

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 12: PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

For PERA Fund Municipal General Division, at June 30, 2024, the District reported a liability of \$19,321,798 for its proportionate share of the net pension liability. At June 30, 2024, the District's proportion was 0.9125 percent, which was a decrease of 0.0349 percent from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the District recognized PERA Fund Municipal General Division pension expense of \$1,973,998. At June 30, 2024, the District reported PERA Fund Municipal General Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

<i>June 30, 2024</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion	\$ 78,207	\$ 727,054
Difference between expected and actual experience	1,450,180	235,807
Net difference between projected and actual earnings on pension plan investments	1,816,705	-
District's contributions subsequent to the measurement date	1,139,077	-
Total	\$ 4,484,169	\$ 962,861

\$1,139,077 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date June 30, 2023 will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<i>For the years ending June 30,</i>	
2024	\$ 671,662
2025	(70,059)
2026	1,615,208
2027	165,420
Total	\$ 2,382,231

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 12: PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Actuarial assumptions. The total pension liability in the June 30, 2023 actuarial valuation was determined using the following significant actuarial assumptions applied to all periods included in the measurement date:

Actuarial valuation date	June 30, 2023
Actuarial cost method	Entry Age Normal
Amortization period	Level percentage of payroll for all divisions except for the legislative division
Amortization method	25 years
Actuarial assumptions:	
	7.25% per year, net of investment-related expenses (composed of an assumed 2.50% inflation rate and a 4.75% real rate of return)
Investment rate of return, net	
Projected salary increases	3.25% to 13.50 annual rate
Includes inflation at	2.50%
Mortality assumptions	Pre-retirement mortality: PUB-2010 General Employees Mortality table, projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2010. For non-public safety group, 25% of in-service deaths are assumed to be duty related and 35% are assumed to be duty-related for public safety groups. Post-retirement mortality (non-disabled): PUB-2010 General Mortality table, Below Median Income, projected with the ultimate rates from the MP-2020 mortality improvement scale using a base year of 2010.
Experience study dates	The Board adopted new actuarial assumptions on May 30, 2024 based on the 2024 actuarial experience study prepared as of June 30, 2023. Experience study was conducted for July 1, 2018 to June 30, 2023.

The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2023. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2024. These assumptions were adopted by the Board for use in the June 30, 2024 actuarial valuation.

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 12: PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following significant actuarial assumptions, applied to all periods included in the measurement date:

Actuarial valuation date	June 30, 2022
Actuarial cost method	Entry Age Normal
Amortization period	Level percentage of payroll for all divisions except for the legislative division
Amortization method	25 years
Actuarial assumptions:	
Investment rate of return, net	7.25% annual rate
Projected salary increases	3.25% to 13.50 annual rate
Includes inflation at	2.50%
Mortality assumptions	The mortality assumptions are based on the RPH-2014 Blue Collar mortality table with female ages set forward one year. Future improvement in mortality rates is assumed using 60% of the MP-2017 projections scale generational. For non-public safety groups, 25% of in-service deaths are assumed to be duty related and 35% are assumed to be duty related for public safety groups.
Experience study dates	July 1, 2008 to June 30, 2017 (demographic) and July 1, 2010 through June 30, 2017 (economic)

The total pension liability, net pension liability, and certain sensitivity information are based on an actuarial valuation performed as of June 30, 2022. The total pension liability was rolled-forward from the valuation date to the plan year ended June 30, 2023. These assumptions were adopted by the Board for use in the June 30, 2023 actuarial valuation.

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 12: PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

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 asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table for June 30, 2025:

ALL FUNDS - Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global equity	46.00%	3.90%
Credit	17.00	2.30
Core fixed income	13.00	2.20
Real assets	18.00	5.90
Absolute Return	6.00	2.60
Total	100.00%	

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table for June 30, 2024:

ALL FUNDS - Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global equity	38.00%	6.90%
Risk reduction & mitigation	17.00	3.90
Credit oriented fixed income	19.00	6.00
Real assets to include real estate equity	18.00	7.00
Multi-risk allocation	8.00	0.61
Total	100.00%	

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 12: PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Discount Rate. A single discount rate of 7.25% was used to measure the total pension liability as of June 30, 2024 and June 30, 2023. 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. For fiscal year 2025, the following presents the District’s proportionate share of the net pension liability calculated using a 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 Rate (7.25%)	1% Increase (8.25%)
<i>PERA Fund Municipal General Division</i>	(6.25%)	(7.25%)	(8.25%)
District's proportionate share of the net pension liability	\$ 30,029,021	\$ 20,877,162	\$ 13,311,565

For fiscal year 2024, the following presents the District’s proportionate share of the net pension liability calculated using a 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 Rate (7.25%)	1% Increase (8.25%)
<i>PERA Fund Municipal General Division</i>	(6.25%)	(7.25%)	(8.25%)
District's proportionate share of the net pension liability	\$ 28,013,719	\$ 19,321,798	\$ 12,095,156

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 12: PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (Continued)

General Information about the Pension Plan (continued)

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>.

Payables to the pension plan. At June 30, 2025 and 2024, there were no amounts due to PERA for the District.

Note 13: OTHER POSTEMPLOYMENT BENEFIT

General Information about the OPEB

Plan description. The District has adopted a policy whereby the District will contribute to the cost of the premium for health and dental insurance coverage for eligible retirees and their eligible dependents until such time as the retiree is eligible for Medicare coverage. The retiree's spouse is also eligible for coverage until they become eligible for Medicare coverage. Dependents that are financially dependent on the retiree and are unmarried are eligible for coverage until they reach the age of 26. The retiree, their spouse and the dependent are no longer eligible to participate in the program if they are part of another contributed insurance program, including, but not limited to coverage under the New Mexico Retiree Health Care Authority. The retirees are responsible for obtaining their own health and dental insurance coverage. The District's policy constitutes a single-employer defined benefit healthcare plan.

Eligibility requirements. Employees are eligible for the post-employment health benefit noted below once they are eligible to retire. Retirement is defined as meeting the retirement eligibility requirements under the Public Employees Retirement Association (PERA) of New Mexico and having at least 10 years of service with the District.

Retirement eligibility requirements under PERA of New Mexico varies by membership tier (Tier 1 or Tier 2) as described below.

Tier 1

- Any age with 25 or more year of service credit; or
- Age 60 or older with 20 or more years of service credit; or
- Age 61 or older with 17 or more years of service credit; or
- Age 62 or older with 14 or more years of service credit; or

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 13: OTHER POSTEMPLOYMENT BENEFIT (Continued)

General Information about the OPEB (continued)

- Age 63 or older with 11 or more years of service credit; or
- Age 64 or older with 8 or more years of service credit.

Tier 2

- Earlier of (a) age 65 with 8 years of service or (b) 85 points (sum of age and service) and 8 years of service.

Benefits provided. All existing retirees are currently in the 80/80 Plan where the District reimburses 80% of retiree and spouse premium rates until each person turns 65.

Active employees with at least 10 years of District service as of July 1, 2021 are in the 80/40 Plan where the District reimburses 80% of retiree and 40% of spouse premium rates until the retiree turns 65.

Active employees with less than 10 years of District service as of July 1, 2021 are in the 70/30 Plan where the maximum District reimbursement is 70% of retiree and 30% of spouse premium rates until the retiree turns 65. The maximum District reimbursement will be adjusted by the following modifier.

Years of Service	% of Max Subsidy Contributed	Years of Service	% of Max Subsidy Contributed
10	25%	18	65%
11	30%	19	70%
12	35%	20	75%
13	40%	21	80%
14	45%	22	85%
15	50%	23	90%
16	55%	24	95%
17	60%	25	100%

Active employees hired on/after July 1, 2021 will be in the 50/25 Plan where the maximum District reimbursement is 50% of retiree and 25% of spouse premium rates until the retiree turns 65. The maximum District reimbursement will be adjusted by the same modifier shown in the above table.

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 13: OTHER POSTEMPLOYMENT BENEFIT (Continued)

General Information about the OPEB (continued)

Funding Policy. Costs of the plan are financed on a pay-as-you-go basis. For the year ended June 30, 2025 and 2024, the District contributed \$89,834 and \$117,852 under the plan, respectively.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contribution of the District are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Membership. The number of employees covered by the benefit terms are as follows:

<i>June 30,</i>	2025	2024
Inactive employees or beneficiaries currently receiving benefit	14	31
Inactive employees entitled to but not yet receiving benefits	11	-
Active employees	203	204
Total membership	228	235

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the plan as understood by the District and plan members and include the types of benefits provided at the time of the actuarial valuation and the sharing of benefit costs between the District and the plan members at that point. The actuarial cost method used is the Entry Age Normal Level Percent of Pay Cost Method (EAN).

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 13: OTHER POSTEMPLOYMENT BENEFIT (Continued)

General Information about the OPEB (continued)

Significant assumptions and other inputs used to measure the total OPEB liability for the fiscal year ended June 30, 2025 are as follows:

Inflation	2.50%
Salary increases	3.0% per year, Since benefits do not depend on salary, this is used to allocate the cost of benefits between service years.
Discount rate	
Prior measurement	4.21%
Measurement date	5.20%
Mortality table	PUB-2010 General Employees / Retirees Headcount-Weighted Mortality Table projected fully generationally using MacLeod Watts Scale 2022
Healthcare cost trends	
Medical	6.0% increase in 2026, grading down to an ultimate rate of 3.9% after 2075

The discount rate has been updated based on the 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of June 30, 2025. The impact of this update is a decrease in liability.

Significant assumptions and other inputs used to measure the total OPEB liability for the fiscal year ended June 30, 2024 are as follows:

Inflation	2.70%
Salary increases	Based on the same assumption used in the New York Employees Retirement System (ERS) actuarial valuation; refer to Section 5 for sample rates
Discount rate	
Prior measurement	4.13%
Measurement date	4.21%
Mortality table	Pub-2010 General Employees / Retirees Headcount Weighted Mortality Tabе projected fully generationally using MP-2021
Healthcare cost trends	
Medical	6.75% increase from 2022 to 2023, followed by 6.5% from 2023 to 2024, decreasing gradually to an ultimate rate of 4.14% by 2076

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 13: OTHER POSTEMPLOYMENT BENEFIT (Continued)

General Information about the OPEB (continued)

The discount rate has been updated based on the 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of June 30, 2024. The impact of this update is a decrease in liability.

Sensitivity of the District's OPEB liability to changes in the discount rate and healthcare cost trend rates. Changes in the discount and health care cost trend rates affect the measurement of the Total OPEB Liability (TOL). Lower discount rates produce a higher TOL whereas lower trend rates produce a lower TOL. The converse is true for higher discount rates and trend rates. Because discount rate and trend rates do not affect the measurement of assets, the percentage change in the TOL can be very significant for a relatively small change in either rates. The table below shows the sensitivity of the TOL to the discount rate for June 30, 2025:

	1% Increase (6.20%)	Current Discount Rate (5.20%)	1% Decrease (4.20%)
\$	3,308,726	\$ 3,656,707	\$ 4,049,675

The table below shows the sensitivity of the TOL to the healthcare cost trend rates for June 30, 2025:

	1% Decrease	Current Trend Rates	1% Increase
\$	3,260,875	\$ 3,656,707	\$ 4,118,453

The table below shows the sensitivity of the TOL to the discount rate for June 30, 2024:

	1% Increase (5.21%)	Current Discount Rate (4.21%)	1% Decrease (3.21%)
\$	5,468,872	\$ 6,112,898	\$ 6,844,958

The table below shows the sensitivity of the TOL to the healthcare cost trend rates for June 30, 2024:

	1% Decrease	Current Trend Rates	1% Increase
\$	5,264,262	\$ 6,112,898	\$ 7,127,186

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 13: OTHER POSTEMPLOYMENT BENEFIT (Continued)

General Information about the OPEB (continued)

Schedule of changes in the total OPEB liability at June 30:

<i>June 30,</i>	2025	2024
Beginning balance	\$ 6,112,898	\$ 5,850,764
Changes for the year		
Service cost	207,100	207,100
Interest	264,181	247,781
Difference between expected and actual experience	(2,551,735)	(19,703)
Changes of assumptions or other inputs	(285,903)	(55,192)
Benefit payments	(89,834)	(117,852)
Net changes	(2,456,191)	262,134
Ending balances	\$ 3,656,707	\$ 6,112,898

At June 30, 2025, the District reported a liability of \$3,656,707 for its total OPEB liability. The total OPEB liability was measured as of June 30, 2025, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of June 30, 2025.

For the year ended June 30, 2025, the District recognized OPEB benefit of (\$351,320). At June 30, 2025 the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<i>June 30, 2025</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 522,093	\$ 1,022,588
Difference between expected and actual experience	-	3,507,928
Total	\$ 522,093	\$ 4,530,516

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 13: OTHER POSTEMPLOYMENT BENEFIT (Continued)

General Information about the OPEB (continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

For the years ending June 30,

2026	\$	(504,438)
2027		(691,915)
2028		(796,540)
2029		(796,540)
2030		(642,097)
Thereafter		(576,893)
Total	\$	(4,008,423)

At June 30, 2024, the District reported a liability of \$6,112,898 for its total OPEB liability. The total OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of June 30, 2022.

For the year ended June 30, 2024, the District recognized OPEB expense of \$44,086. At June 30, 2024 the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<i>June 30, 2024</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 883,595	\$ 1,094,255
Difference between expected and actual experience	-	1,692,892
Total	\$ 883,595	\$ 2,787,147

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 13: OTHER POSTEMPLOYMENT BENEFIT (Continued)

General Information about the OPEB (continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

For the years ending June 30,

2025	\$ (354,419)
2026	(126,088)
2027	(313,565)
2028	(418,190)
2029	(418,190)
Thereafter	(273,100)
Total	\$ (1,903,552)

Deferred inflows and outflows of resources for (a) differences between expected and actual experience and (b) changes of assumptions or other inputs should be recognized in OPEB expense, beginning in the current reporting period, using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan (active employees and inactive employees) determined as of the beginning of the measurement period.

For the fiscal years ended June 30, 2025 and 2024, the average expected remaining service life of active and inactive employees is 8 years and the deferred inflows and outflows of resources for (a) differences between expected and actual experience and (b) changes of assumptions or other inputs as of June 30, 2025 and 2024 are amortized over 8 years. GASB states the OPEB expense also should be recognized in the current reporting period for costs incurred by the government related to the administration of OPEB. The measurement period for these costs should be the same as the measurement period applied to changes in the Total OPEB Liability.

The OPEB expense consists of:

1. Service costs for the year.
2. Interest on the total OPEB liability (TOL) using the bond rate at the beginning of the period.
3. Change in the TOL due to benefit changes.
4. The current year recognition of changes in the TOL due to actual versus expected experience.

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 13: OTHER POSTEMPLOYMENT BENEFIT (Continued)

General Information about the OPEB (continued)

5. The current year recognition of changes in the TOL due to changes of assumptions or other inputs experience (including the change in discount rate).
6. Recognition of deferred inflows and outflows of resources from prior years.

The following table provides a breakdown of the OPEB expense as of June 30:

<i>June 30,</i>	2025	2024
Service cost at end of year	\$ 207,100	\$ 207,100
Interest on total OPEB liability and service cost	264,181	247,781
Current period benefit changes	361,502	-
Current period recognition of deferred inflows and outflows of resources		
Difference between expected and actual experience in the total OPEB liability	(736,701)	(396,468)
Changes of assumptions or other inputs	(357,570)	(14,327)
OPEB (expense) benefit	\$ (261,488)	\$ 44,086

Note 14: CONTINGENCIES

2016 Biological Opinion. MRGCD water operations is currently covered under the 2016 Biological Opinion (2016 BO) issued in December 2016. The 2016 BO no longer requires targeted river flow requirements as was the case in the 2003 BO, nor is it a jeopardy opinion, meaning that as long as the action agencies are making meaningful progress on commitments and population metrics are met or exceeded, take is avoided, and re-consultation is not required.

The 2016 BO is a performance-based BO that requires certain actions to be accomplished in a five and ten-year planning horizon, as well as maintain a base silvery minnow population of no less than 0.3 Catch Per Unit Effort (CPUE) in a three-year period, with a goal of 1.0 CPUE or better as measured in October of each year to be considered a self-sustaining population. The MRGCD has remained in compliance with the 2016 BO and continues to invest dedicated resources for the purpose of maintaining compliance for the 15-year period of coverage under this BO.

The Board of Directors approved a suite of actions that the District has committed to implement, including the provision of \$150,000 per year for supporting the science within the MRGES Collaborative Program.

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 14: CONTINGENCIES (Continued)

In FY2025, the District agreed to enter into an agreement with Wild Earth Guardians to re-evaluate the 2016 Biological Opinion. The agreement has not been signed, but it will likely require the District to increase its commitment to conservation.

Title Claim. The District granted an assignment of the title to all project works to the United States pursuant to the September 24, 1951, Contract. The 1951 Contract provided that the United States retain the assignment to the title until the District met its repayment obligations. The District completed all repayment obligations to the United States under the 1951 Contract on December 13, 1999, and the District has had operation and maintenance responsibilities for all reserved works since the 1970s.

It has always been the District's position that the District only granted an assignment of easement to the United States, but did not grant ownership. After several years in court, the Bureau of Reclamation supported legislation pursuing title transfer under the Secretary of the Interior's authority to transfer ownership interests to irrigation districts that officially request such action.

The District implemented GASB 34 in fiscal year 2003 with the assumption that title to the lands belonged to the District. The majority of the District's infrastructure was constructed or acquired prior to July 1, 1980, and in accordance with GASB 34, has not been valued. Infrastructure, which was built and improved since July 1, 2002, has been capitalized, and the District determined that no infrastructure that meets the District's definition was purchased, constructed, or acquired from July 1, 1980, to July 1, 2002.

It is the District's opinion that Title Transfer Phase 1 was a compromise to a long-standing difference of opinion between the Federal Government and the District. The District implemented GASB 34 in 2003 with the assumption that the assets and the title to the assets were in the District's name. However, since the infrastructure was constructed or acquired prior to July 1, 1980, the District was not required to record the lands at historical value. It is therefore the District's opinion that the Title Transfer of Phase 1 does require the District to record the value of the lands as of the date of the signing of the agreement. The District did not add the infrastructure as of fiscal year 2024.

Phase 1 the United States, through the Department of the Interior, Bureau of Reclamation, transferred title to the Middle Rio Grande Conservancy District, the portion of the District's benefited area south of the Pueblo of Isleta to the northern boundary of the Bosque Del Apache, in our board meeting held on November 8, 2021.

Phase 2 is currently in progress and will include all facilities and associated lands north of Isleta Pueblo.

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 14: CONTINGENCIES (Continued)

Current Litigation/Claims. On June 6, 2021, the WildEarth Guardians ("plaintiff") provided a Notice of Intent (NOI) to sue against the United States Bureau of Reclamation and the United States Fish and Wildlife Service, seeking to find "new solutions" to the ecosystem, and discussions between all the BO parties is ongoing to seek means to advance BO commitments more rapidly. In 2022, WildEarth Guardians sued the U.S. Fish and Wildlife Service and Bureau of Reclamation over the 2016 Biological Opinion (BO). As a party to the BO, the MRGCD intervened. In 2024, the parties, including Wild Earth Guardians, the U.S. Fish and Wildlife Service, the Bureau of Reclamation, and the MRGCD, reached a settlement to initiate re-consultation on a new BO.

The Isleta Dam Settlement required the District to provide a total of \$2,500,000 over ten years ending in 2027 to help resolve sedimentation and fish passage at Isleta Diversion Dam. As of fiscal year 2025, the District has expended \$1,869,827, leaving a remaining balance of \$630,173.

Note 15: COMMITMENTS

Middle Rio Grande Flood Damage Reduction, Bernalillo to Belen. In September 2012, the District entered into an agreement with the United States Department of the Army ("government") to conduct a study identifying and evaluating alternatives for flood damage reduction from Bernalillo to Belen, New Mexico. The initial estimated cost was \$950,000. In 2014, this estimate was revised to \$1,380,000 and has since increased to \$3,000,000.

The District, with prior assistance from the State on levee studies, was responsible for 50% of the study cost (\$1,500,000), which has been fully paid. As the project advances, the District will seek funding either through future fiscal year budgets or in partnership with state agencies impacted by the project.

The project was officially authorized in the WRDA 2020 Corps of Engineers funding bill. The District is collaborating with the State to establish a levee reserve fund to help meet the 25% cost-share requirement. In 2023, the District signed the Phase 1 Design Agreement for the Mountain View portion (Rio Bravo to the Isleta Pueblo northern boundary), covering approximately 4.5 miles of the total 47.8-mile project. This project remains ongoing in 2025.

Rio Grande Floodway San Acacia to Bosque del Apache Unit. The Socorro segment of the proposed San Acacia Levee system is essentially complete, pending final documentation to transfer operations and maintenance (O&M) to the District and to complete the Letter of Map Revision for FEMA. This revision will confirm that over 1,500 private properties are no longer in the 100-year floodplain. The project was finalized in 2024 and closed out by the Corps. Final certification is expected in FY2026.

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 15: COMMITMENTS (Continued)

Rio Grande Environmental Management Plan – Sandia to Isleta. This plan provides a collaborative framework involving state, federal, local, international, Tribal, and non-governmental partners to plan, construct, and evaluate measures for fish and wildlife habitat rehabilitation and enhancement. Funding was authorized in the WRDA 2020 bill, and the United States Department of the Army is actively seeking cost-share sponsors.

Southwestern Valencia County Flood Prevention and Agricultural Water Efficiency Project – NRCS Grant Application. In July 2019, the District submitted a grant application under P.L. 83-566 as part of a 2018 settlement agreement with a private landowner. The project aims to prevent flooding and improve water efficiency along the District’s Belen Highline Canal in southern Valencia County.

The District received a grant award and issued an RFP in December 2020. After proposals were received, costs exceeded the awarded amount. The District secured additional federal funding to cover the shortfall. As of FY2025, the project is substantially complete and is expected to be finalized by December 2025.

Encumbrances. The District uses encumbrance accounting, whereby purchase orders, contracts, and other expenditure commitments are recorded to reserve the applicable appropriation. In FY2025, the District set aside the following amounts related to encumbrances:

- General Fund: \$841,742
- Grant Fund: \$694,788
- Capital Investment Fund: \$8,701,201 (of which approximately \$3,060,263 is encumbered, and the remaining \$5,640,938 represents committed amounts under executed contracts that will be funded in future fiscal years).

Encumbrances outstanding as of June 30, 2024, totaled \$1,042,649 and are included in assigned fund balances in the accompanying balance sheet.

Note 16: RESTRICTED NET POSITION

The government-wide statement of net position reported restricted net position for fiscal year ended June 30, 2025 in the amount of \$5,180,851. The government-wide statement of net position reported restricted net position for fiscal year ended June 30, 2024 in the amount of \$4,024,028.

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 17: FUND BALANCES

Fund balances on the modified accrual basis was classified as follows at June 30, 2025:

<i>June 30, 2025</i>	Nonspendable	Restricted	Committed	Assigned	Unassigned
General fund					
Prepaid expenses	\$ 42,201	\$ -	\$ -	\$ -	-
Inventory	1,225,612	-	-	-	-
Investments designated for equipment purchases	-	-	639,601	-	-
Investments designated for future long-term asset projects	-	-	9,009,027	-	-
2026 encumbered funds	-	-	-	841,742	-
Unassigned fund balance	-	-	-	-	16,434,663
Total general fund	1,267,813	-	9,648,628	841,742	16,434,663
Long-Term Assets (Levee) Fund					
Capital reserve	-	-	11,226	-	-
Investments designated for levee projects	-	-	1,199,220	-	-
Total Long-Term Assets (Levee) Fund	-	-	1,210,446	-	-
Capital Investment Fund					
Capital projects	-	3,060,263	-	-	-
Total Capital Investment Fund	-	3,060,263	-	-	-
Debt Service Fund					
Debt service	-	910,142	-	-	-
Total Debt Service Fund	-	910,142	-	-	-
Total fund balances	\$ 1,267,813	\$ 3,970,405	\$ 10,859,074	\$ 841,742	\$ 16,434,663

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 17: FUND BALANCES (Continued)

Fund balances on the modified accrual basis was classified as follows at June 30, 2024:

<i>June 30, 2024</i>	Nonspendable	Restricted	Committed	Assigned	Unassigned
General fund					
Prepaid expenses	\$ 11,089	\$ -	\$ -	\$ -	-
Inventory	1,063,684	-	-	-	-
Investments designated for equipment purchases	-	-	610,390	-	-
Investments designated for future long-term asset projects	-	-	8,328,886	-	-
2025 encumbered funds	-	-	-	1,042,649	-
Unassigned fund balance	-	-	-	-	14,944,906
Total general fund	1,074,773	-	8,939,276	1,042,649	14,944,906
Long-Term Assets (Levee) Fund					
Capital reserve	-	-	5,007	-	-
Investments designated for levee projects	-	-	1,143,937	-	-
Total Long-Term Assets (Levee) Fund	-	-	1,148,944	-	-
Capital Investment Fund					
Capital projects	-	1,982,802	-	-	-
Total Capital Investment Fund	-	1,982,802	-	-	-
Debt Service Fund					
Debt service	-	892,282	-	-	-
Total Debt Service Fund	-	892,282	-	-	-
Total fund balances	\$ 1,074,773	\$ 2,875,084	\$ 10,088,220	\$ 1,042,649	\$ 14,944,906

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 18: TAX ABATEMENTS

There are no tax abatements enacted by the District.

The District is subject to tax abatements entered in by other governmental entities. Each agreement was negotiated under the authority of Section 3-45, Section 7-37-6 and Section 7-38 NMSA 1978. The types of abated taxes reported to the District by other entities includes real property taxes. Bernalillo County reported abatements to the District.

The District has the following tax abatement agreements for fiscal year ended June 30, 2025:

Abating Agency	Recipients of the Abatement	Real Property Taxes Abated
Bernalillo County	Catholic Charities Project	\$ 9,126
	GAHP Project IRB (Sterling Downtown)	10,612
	Hotel Chaco, LLC	41,668
	Los Poblanos Project (dated 3/1/2016)	20,443
	New Mexico Fresh Foods, LLC	7,642
	One Central Parking Project	28,918
	Rio Bravo Brewing Project (dated 2/1/2016)	2,344
	Sawmill Bellamah Properties, LLC	8,735
	Silver Moon Lodge LLP	16,164
	UR Silver LLC	13,827
	US Foodservice, Inc.	32,792
Total		\$ 192,271

The District has the following tax abatement agreements for fiscal year ended June 30, 2024:

Abating Agency	Recipients of the Abatement	Real Property Taxes Abated
Bernalillo County	Catholic Charities Project	\$ 7,382
	GAHP Project IRB (Sterling Downtown)	10,302
	Hotel Chaco, LLC	33,426
	Los Poblanos Project (dated 3/1/2016)	20,443
	New Mexico Fresh Foods, LLC	7,420
	One Central Parking Project	28,918
	Rio Bravo Brewing Project (dated 2/1/2016)	2,344
	Sawmill Bellamah Properties, LLC	7,477
	Silver Moon Lodge LLP	15,693
	UR Silver LLC	13,538
	US Foodservice, Inc.	27,928
Total		\$ 174,871

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Financial Statements

Note 19: CONCENTRATIONS

The District depends on financial resources flowing from, or associated with, both the Federal Government and the State of New Mexico. Because of this dependency, the District is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations.

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REQUIRED SUPPLEMENTARY INFORMATION



State of New Mexico
Middle Rio Grande Conservancy District
Public Employees Retirement Association (PERA) Plan
Schedule of the District's Proportionate Share of the
Net Pension Liability

	June 30,		
<i>Fiscal Year</i>	2025	2024	2023
<i>Measurement Date</i>	2024	2023	2022
Middle Rio Grande Conservancy District's proportion of the net pension liability			
Municipal General	0.8749%	0.9125%	0.9474%
Middle Rio Grande Conservancy District's proportionate share of the net pension liability			
Municipal General	\$ 20,877,162	\$ 19,321,798	\$ 16,804,291
	\$ 20,877,162	\$ 19,321,798	\$ 16,804,291
Middle Rio Grande Conservancy District's covered payroll			
Municipal General	\$ 10,547,009	\$ 10,470,194	\$ 9,177,418
	\$ 10,547,009	\$ 10,470,194	\$ 9,177,418
Middle Rio Grande Conservancy District's proportionate share of the net pension			
Municipal General	197.94%	184.54%	183.10%
Plan fiduciary net position as a percentage of the total pension liability			
Municipal General	66.00%	67.26%	69.35%

* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, Middle Rio Grande Conservancy District will present information for those years for which information is available.

(Continued)

**State of New Mexico
Middle Rio Grande Conservancy District
Public Employees Retirement Association (PERA) Plan
Schedule of the District's Proportionate Share of the
Net Pension Liability (Continued)**

June 30,					
2022	2021	2020	2019	2018	2017
2021	2020	2019	2018	2017	2016
0.9945%	0.9694%	0.9830%	0.9839%	0.9167%	0.9355%
\$ 11,204,514	\$ 19,603,472	\$ 17,016,707	\$ 15,687,008	\$ 12,596,234	\$ 14,946,142
\$ 11,204,514	\$ 19,603,472	\$ 17,016,707	\$ 15,687,008	\$ 12,596,234	\$ 14,946,142
\$ 9,387,972	\$ 9,352,383	\$ 8,651,794	\$ 8,305,085	\$ 8,051,600	\$ 8,028,645
\$ 9,387,972	\$ 9,352,383	\$ 8,651,794	\$ 8,305,085	\$ 8,051,600	\$ 8,028,645
119.35%	209.61%	196.68%	188.88%	156.44%	186.16%
77.25%	66.36%	70.52%	71.13%	73.74%	69.18%

**State of New Mexico
Middle Rio Grande Conservancy District
Public Employees Retirement Association (PERA) Plan
Schedule of the District's Contributions**

<i>As of and for the year ended June 30,</i>	2025	2024	2023
Contractually required contribution			
Municipal General	\$ 1,257,336	\$ 1,139,077	\$ 1,026,079
	\$ 1,257,336	\$ 1,139,077	\$ 1,026,079
Contributions in relation to the contractually required contribution			
Municipal General	\$ (1,257,336)	\$ (1,139,077)	\$ (1,026,079)
	\$ (1,257,336)	\$ (1,139,077)	\$ (1,026,079)
Middle Rio Grande Conservancy District's covered payroll			
Municipal General	\$ 11,594,174	\$ 10,547,009	\$ 10,470,194
	\$ 11,594,174	\$ 10,547,009	\$ 10,470,194
Contributions as a percentage of covered payroll			
Municipal General	10.84%	10.80%	9.80%

* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years.

(Continued)

State of New Mexico
Middle Rio Grande Conservancy District
Public Employees Retirement Association (PERA) Plan
Schedule of the District's Contributions (Continued)

2022	2021	2020	2019	2018	2017	2016
\$ 899,387	\$ 920,021	\$ 893,143	\$ 826,103	\$ 793,135	\$ 768,886	\$ 766,736
\$ 899,387	\$ 920,021	\$ 893,143	\$ 826,103	\$ 793,135	\$ 768,886	\$ 766,736
\$ (899,387)	\$ (920,021)	\$ (893,143)	\$ (826,103)	\$ (793,135)	\$ (768,886)	\$ (766,736)
\$ (899,387)	\$ (920,021)	\$ (893,143)	\$ (826,103)	\$ (793,135)	\$ (768,886)	\$ (766,736)
\$ 9,177,418	\$ 9,387,972	\$ 9,352,283	\$ 8,650,293	\$ 8,305,079	\$ 8,051,162	\$ 8,028,649
\$ 9,177,418	\$ 9,387,972	\$ 9,352,283	\$ 8,650,293	\$ 8,305,079	\$ 8,051,162	\$ 8,028,649
9.80%	9.80%	9.55%	9.55%	9.55%	9.55%	9.55%

State of New Mexico
Middle Rio Grande Conservancy District
Total Other Postemployment Benefit (OPEB) Liability
Schedule of Total Other Postemployment Benefit (OPEB) Liability

<i>Fiscal year / measurement date</i>	June 30,		
	2025	2024	2023
Service cost	\$ 207,100	\$ 207,100	\$ 260,263
Interest on total OPEB liability and service cost	264,181	247,781	258,851
Changes of benefit terms	-	-	389,674
Difference between expected and actual experience	(2,551,735)	(19,703)	(1,826,468)
Changes of assumptions or other inputs	(285,903)	(55,192)	(208,597)
Benefit payments	(89,834)	(117,852)	(148,465)
Net change in total OPEB liability	(2,456,191)	262,134	(1,274,742)
Total OPEB liability - beginning	6,112,898	5,850,764	7,125,506
Total OPEB liability - ending	\$ 3,656,707	\$ 6,112,898	\$ 5,850,764
Covered-employee payroll	\$ 11,126,887	\$ 10,755,148	\$ 10,261,665
Total OPEB liability as a percentage of covered-employee payroll	32.86%	56.84%	57.02%

* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, Middle Rio Grande Conservancy District will present information for those years for which information is available.

(Continued)

State of New Mexico
Middle Rio Grande Conservancy District
Total Other Postemployment Benefit (OPEB) Liability
Schedule of Total Other Postemployment Benefit (OPEB) Liability (Continued)

June 30,

	2022	2021	2020	2019	2018	2017					
\$	344,538	\$	549,079	\$	385,106	\$	446,136	\$	429,225	\$	496,774
	178,935		231,675		299,938		369,767		316,992		258,276
	-		(3,300,000)		-		-		-		-
	(29,477)		(391,751)		(94,039)		(648,293)		-		-
	(1,206,075)		1,124,156		1,406,355		(886,574)		(295,116)		(800,395)
	(202,741)		(212,433)		(233,789)		(225,003)		(169,766)		(155,558)
	(914,820)		(1,999,274)		1,763,571		(943,967)		281,335		(200,903)
	8,040,326		10,039,600		8,276,029		9,219,996		8,938,661		9,139,564
\$	7,125,506	\$	8,040,326	\$	10,039,600	\$	8,276,029	\$	9,219,996	\$	8,938,661
\$	9,465,118	\$	9,645,902	\$	9,376,340	\$	8,830,062	\$	8,460,665	\$	8,316,934
	75.28%		83.35%		107.07%		93.73%		108.97%		107.48%

State of New Mexico
Middle Rio Grande Conservancy District
Total Other Postemployment Benefit (OPEB) Liability
Schedule of Other Postemployment Benefit (OPEB) Contributions

<i>As of and for the year ended June 30,</i>	2025	2024	2023
Contractually required contributions	\$ 89,834	\$ 117,852	\$ 148,865
Contributions in relation to the contractually required contribution	(89,834)	(117,852)	(148,865)
Contribution deficiency (excess)	\$ -	\$ -	-
Middle Rio Grande Conservancy District's covered-employee payroll	\$ 11,126,887	\$ 10,755,148	\$ 10,261,665
Contributions as a percentage of covered-employee payroll	1.00%	1.00%	1.00%

* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, Middle Rio Grande Conservancy District will present information for those years for which information is available.

(Continued)

State of New Mexico
Middle Rio Grande Conservancy District
Total Other Postemployment Benefit (OPEB) Liability
Schedule of Other Postemployment Benefit (OPEB) Contributions (Continued)

2022	2021	2020	2019	2018	2017
\$ 202,741	\$ 212,433	\$ 233,789	\$ 225,003	\$ 169,766	\$ 155,558
(202,741)	(212,433)	(233,789)	(225,003)	(169,766)	(155,558)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 9,465,118	\$ 9,645,902	\$ 9,376,340	\$ 8,830,062	\$ 8,460,665	\$ 8,316,934
2.00%	2.00%	2.00%	3.00%	2.00%	2.00%

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Required Supplementary Information

PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) PLAN

Changes of benefit terms. The Public Employees Retirement Association (PERA) Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA ACFR available at <https://www.saonm.org>.

Changes of assumptions. The PERA of New Mexico Annual Actuarial Valuation as of June 2024 report is available at <http://www.nmpera.org/>

OTHER POSTEMPLOYMENT BENEFIT MEDICAL PLAN

Changes of benefit terms. Active employees who are currently in the 80/80 Plan where the District reimburses 80% of retiree and spouse premium rates until each person turns 65 are now stratified into the following new plans as described in the notes to the financial statements. This change caused a significant reduction in the District's liability.

Changes of assumptions. The calculations were based on an actuarial valuation as of June 30, 2024 using census data and recent health care cost information which was provided by the District.



SUPPLEMENTARY INFORMATION



State of New Mexico
Middle Rio Grande Conservancy District
Schedule of Collateral Pledged by Depository for Public Funds

June 30, 2025

<i>Name of Depository</i>	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value
Wells Fargo Bank, N.A.				
	FMAC FEPC 3.00%	8/1/2046	3132A5FL4	\$ 1,084,552
	FMAC FEPC 1.50%	1/1/2051	3132DWAV5	276,585
	FNMA FNMS 3.00%	11/1/2042	3138MK4J2	5,739
	FNMA FNMS 3.00%	6/1/2043	3140XGNGO	272,764
	GNMA G2SF 3.50%	12/20/2043	36179NVN5	170,792
	GNMA G2SF 4.50%	5/20/2053	36179X2J4	920,233
	GNMA G2SF 4.50%	6/20/2052	36179XAA4	5,532
Total Wells Fargo Bank, N.A.				2,736,197
Name and location of safekeeper for above pledged collateral: BNY Mellon, 101 Barclay Street, 4th Floor East, New York, NY 10286				
Total pledged collateral				\$ 2,736,197

(Continued)

State of New Mexico
Middle Rio Grande Conservancy District
Schedule of Collateral Pledged by Depository for Public Funds (Continued)

June 30, 2024

<i>Name of Depository</i>	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value
Wells Fargo Bank, N.A.				
	FMAC FEPC 3.00%	8/1/2046	3132A5FL4	\$ 1,113,264
	FMAC FEPC 1.50%	1/1/2051	3132DWAV5	8,733
	FNMA FNMS 3.00%	11/1/2042	3138MK4J2	5,955
	GNMA G2SF 4.50%	6/20/2052	36179XAA4	6,101
Total Wells Fargo Bank, N.A.				1,134,053
Name and location of safekeeper for above pledged collateral: BNY Mellon, 101 Barclay Street, 4th Floor East, New York, NY 10286				
Total pledged collateral				\$ 1,134,053

State of New Mexico
Middle Rio Grande Conservancy District
Schedule of Deposit and Investment Accounts

June 30, 2025

<i>Bank Account Type / Name</i>	Wells Fargo Bank	NM Finance Authority
Non-interest bearing accounts		
Cash and cash equivalents		
G/F operating	\$ 2,633,038	\$ -
G/F basic flex plan	6,806	-
Interest bearing accounts		
Cash and cash equivalents		
NMFA debt servicing	-	184,545
NMFA reserve funds	-	59,032
NMFA program funds	-	95,688
Endowment	-	-
Endowment 2	-	-
Investments		
NMFA reserve funds	-	666,565
NMFA program funds	-	778,523
NM LGIP - G/F operating	-	-
NM LGIP - G/F capital reserve fund	-	-
NM LGIP - SRF levee projects	-	-
NM LGIP - SRF AMAFCA future projects	-	-
NM LGIP - SRF Bernalillo County future projects	-	-
Endowment	-	-
Endowment 2	-	-
State Investment Council	-	-
Total	2,639,844	1,784,353
Reconciling items	(383,404)	-
Reconciled balance	\$ 2,256,440	\$ 1,784,353
Plus petty cash		
Less restricted cash per statement of net position		
Less investments per statement of net position		
Less restricted investments per statement of net position		
Cash and cash equivalents per statement of net position		

(Continued)

State of New Mexico
Middle Rio Grande Conservancy District
Schedule of Deposit and Investment Accounts (Continued)

NM State Treasurer	US Bank	NM State Investment Council	Total
\$ -	\$ -	\$ -	\$ 2,633,038
-	-	-	6,806
-	-	-	184,545
-	-	-	59,032
-	-	-	95,688
-	48,004	-	48,004
-	66,122	-	66,122
-	-	-	666,565
-	-	-	778,523
12,774,012	-	-	12,774,012
639,601	-	-	639,601
1,199,220	-	-	1,199,220
465,456	-	-	465,456
89,452	-	-	89,452
-	3,312,053	-	3,312,053
-	3,039,541	-	3,039,541
-	-	5,903,363	5,903,363
15,167,741	6,465,720	5,903,363	31,961,021
-	-	-	(383,404)
\$ 15,167,741	\$ 6,465,720	\$ 5,903,363	\$ 31,577,617
			850
			(339,265)
			(16,086,065)
			(12,781,721)
			\$ 2,371,416

State of New Mexico
Middle Rio Grande Conservancy District
Schedule of Deposit and Investment Accounts (Continued)

June 30, 2024

<i>Bank Account Type / Name</i>	Wells Fargo Bank	NM Finance Authority
Non-interest bearing accounts		
Cash and cash equivalents		
G/F operating	\$ 1,488,654	\$ -
G/F basic flex plan	15,164	-
Interest bearing accounts		
Cash and cash equivalents		
NMFA debt servicing	-	182,494
NMFA reserve funds	-	34,904
NMFA program funds	-	217,746
Endowment	-	-
Endowment 2	-	-
Investments		
NMFA reserve funds	-	679,763
NMFA program funds	-	2,723,584
NM LGIP - G/F operating	-	-
NM LGIP - G/F capital reserve fund	-	-
NM LGIP - SRF levee projects	-	-
NM LGIP - SRF AMAFCA future projects	-	-
NM LGIP - SRF Bernalillo County future projects	-	-
Endowment	-	-
Endowment 2	-	-
State Investment Council	-	-
Total	1,503,818	3,838,491
Reconciling items	(337,961)	-
Reconciled balance	\$ 1,165,857	\$ 3,838,491
Plus petty cash		
Less restricted cash per statement of net position		
Less investments per statement of net position		
Less restricted investments per statement of net position		
Cash and cash equivalents per statement of net position		

(Continued)

State of New Mexico
 Middle Rio Grande Conservancy District
 Schedule of Deposit and Investment Accounts (Continued)

NM State Treasurer	US Bank	NM State Investment Council	Total
\$ -	\$ -	\$ -	\$ 1,488,654
-	-	-	15,164
-	-	-	182,494
-	-	-	34,904
-	-	-	217,746
-	56,753	-	56,753
-	516,440	-	516,440
-	-	-	679,763
-	-	-	2,723,584
10,498,337	-	-	10,498,337
610,390	-	-	610,390
1,143,937	-	-	1,143,937
443,999	-	-	443,999
85,329	-	-	85,329
-	3,124,484	-	3,124,484
-	2,922,621	-	2,922,621
-	-	4,889,825	4,889,825
12,781,992	6,620,298	4,889,825	29,634,424
-	-	-	(337,961)
\$ 12,781,992	\$ 6,620,298	\$ 4,889,825	\$ 29,296,463
			850
			(435,144)
			(13,622,821)
			(13,499,448)
			\$ 1,739,900

**State of New Mexico
Middle Rio Grande Conservancy District
Schedule of Joint Powers Agreements**

June 30, 2025

Agreements	Participants	Responsible Party	Description
1 Investments of certain District monies	Middle Rio Grande Conservancy District / NM State Investment Council	Middle Rio Grande Conservancy District	Invests certain monies belonging to the District

(Continued)

State of New Mexico
Middle Rio Grande Conservancy District
Schedule of Joint Powers Agreements (Continued)

Beginning and Ending Dates	Total Estimated Project Amount and Amount Applicable to Agency	Amount Contributed Current Fiscal Year	Audit Responsibility	Fiscal Agent and and Responsible Reporting Entity
8/9/2022 thru 8/9/2026	N/A \$	-	Both Entities	Both Entities

**State of New Mexico
Middle Rio Grande Conservancy District
Schedule of Joint Powers Agreements (Continued)**

June 30, 2024

Agreements	Participants	Responsible Party	Description
1 Investments of certain District monies	Middle Rio Grande Conservancy District / NM State Investment Council	Middle Rio Grande Conservancy District	Invests certain monies belonging to the District

(Continued)

State of New Mexico
Middle Rio Grande Conservancy District
Schedule of Joint Powers Agreements (Continued)

Beginning and Ending Dates	Total Estimated Project Amount and Amount Applicable to Agency	Amount Contributed Current Fiscal Year	Audit Responsibility	Fiscal Agent and and Responsible Reporting Entity
8/9/2022 thru 8/9/2026	N/A \$	-	Both Entities	Both Entities

State of New Mexico
Middle Rio Grande Conservancy District
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Debt Service Fund

<i>For the year ended June 30, 2025</i>	<u>Budgeted Amounts</u>		Actual	Variances
	Original	Final		Positive (Negative)
				Final to Actual
Revenues				
Investment income	\$ 16,500	\$ 16,500	\$ 38,463	\$ 21,963
Total revenues	\$ 16,500	\$ 16,500	\$ 38,463	\$ 21,963
Expenditures				
Debt service				
Principal retirement	\$ 691,185	\$ 691,185	\$ 653,966	\$ 37,219
Interest and other charges	115,421	115,421	112,601	2,820
Total expenditures	806,606	806,606	766,567	40,039
Excess (deficiency) of revenues over expenditures	(790,106)	(790,106)	(728,104)	(18,076)
Other financing sources (uses)				
Transfers in	806,606	806,606	745,964	(60,642)
Transfers (out)	-	-	-	-
Total other financing sources (uses)	806,606	806,606	745,964	(60,642)
Change in fund balance	\$ 16,500	\$ 16,500	\$ 17,860	\$ (78,718)

(Continued)

State of New Mexico
Middle Rio Grande Conservancy District
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Debt Service Fund (Continued)

<i>For the year ended June 30, 2024</i>	Budgeted Amounts		Actual	Variances
	Original	Final		Positive (Negative)
				Final to Actual
Revenues				
Taxes				
Investment income	\$ -	\$ -	22,957	\$ 22,957
Total revenues	\$ -	\$ -	22,957	\$ 22,957
Expenditures				
Debt service				
Principal retirement	\$ 597,835	\$ 597,835	357,860	\$ 239,975
Interest and other charges	61,808	61,808	35,424	26,384
Total expenditures	659,643	659,643	393,284	266,359
Excess (deficiency) of revenues over expenditures	(659,643)	(659,643)	(370,327)	(243,402)
Other financing sources (uses)				
Loan proceeds	-	-	329,439	329,439
Transfers in	659,643	659,643	933,170	273,527
Total other financing sources (uses)	659,643	659,643	1,262,609	602,966
Change in fund balance	\$ -	\$ -	892,282	\$ 359,564

State of New Mexico
Middle Rio Grande Conservancy District
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Capital Investment Fund

<i>For the year ended June 30, 2025</i>	<u>Budgeted Amounts</u>		Actual	Variances
	Original	Final		Positive (Negative)
				Final to Actual
Revenues				
Taxes				
Ad valorem assessments	\$ 4,271,094	\$ 4,271,094	\$ 4,432,728	\$ 161,634
Ad valorem interest	3,700	3,700	23,356	19,656
Investment income	-	-	74,955	74,955
Total revenues	\$ 4,274,794	\$ 4,274,794	\$ 4,531,039	\$ 256,245
Expenditures				
Public works				
Professional services	\$ 550,000	\$ 644,177	\$ 636,295	\$ 7,882
Ad valorem collection fee	88,711	88,711	94,139	(5,428)
Projects	40,000	15,690	-	15,690
Capital outlay	380,000	1,788,836	1,009,321	779,515
Total expenditures	1,058,711	2,537,414	1,739,755	797,659
Excess (deficiency) of revenues over expenditures	3,216,083	1,737,380	2,791,284	(541,414)
Other financing sources (uses)				
Transfers (out)	(2,891,875)	(2,891,875)	(1,713,823)	1,178,052
Total other financing sources (uses)	(2,891,875)	(2,891,875)	(1,713,823)	1,178,052
Change in fund balance	\$ 324,208	\$ (1,154,495)	\$ 1,077,461	\$ 636,638

(Continued)

State of New Mexico
Middle Rio Grande Conservancy District
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Capital Investment Fund (Continued)

	Budgeted Amounts		Actual	Variances Positive (Negative)
	Original	Final		Final to Actual
<i>For the year ended June 30, 2024</i>				
Revenues				
Taxes				
Ad valorem assessments	\$ 4,187,483	\$ 4,187,483	\$ 4,048,889	\$ (138,594)
Ad valorem interest	-	-	9,306	9,306
Investment income	-	-	39,518	39,518
Total revenues	\$ 4,187,483	\$ 4,187,483	\$ 4,097,713	\$ (89,770)
Expenditures				
Public works				
Professional services	\$ 535,505	\$ 715,229	\$ 574,467	\$ 140,762
Ad valorem collection fee	86,423	86,423	78,044	8,379
Projects	854,500	247,380	-	247,380
Capital outlay	2,964,945	6,492,340	5,460,489	1,031,851
Total expenditures	4,441,373	7,541,372	6,113,000	1,428,372
Excess (deficiency) of revenues over expenditures	(253,890)	(3,353,889)	(2,015,287)	(1,518,142)
Other financing sources (uses)				
Loan proceeds	2,175,000	2,964,945	2,964,945	-
Transfers in	-	2,300,000	2,300,000	-
Transfers (out)	(1,887,055)	(1,887,055)	(1,266,856)	620,199
Total other financing sources (uses)	287,945	3,377,890	3,998,089	620,199
Change in fund balance	\$ 34,055	\$ 24,001	\$ 1,982,802	\$ (897,943)

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STATISTICAL SECTION



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State of New Mexico
Middle Rio Grande Conservancy District
Introduction

This part of the Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Financial Trends

These schedules present information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity

These schedules present information to help the reader assess the District's most significant revenue source, ad valorem tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current level of outstanding debt and the District's ability to issue additional debt in the future.

State of New Mexico
Middle Rio Grande Conservancy District
Financial Trends
Net Position – Governmental Activities

<i>June 30,</i>	2025	2024	2023	2022
Net investment in capital assets	\$ 46,917,966	\$ 41,547,867	\$ 29,454,408	\$ 29,300,692
Restricted	5,180,851	4,024,028	-	1,433,964
Unrestricted (deficit)	3,717,894	(57,630)	4,594,239	3,484,151
 Total governmental activities net of position	 55,816,711	 45,514,265	 34,048,647	 34,218,807
 Prior period adjustment	 -	 -	 -	 -
 Ending net position	 \$ 55,816,711	 \$ 45,514,265	 \$ 34,048,647	 \$ 34,218,807

(Continued)

State of New Mexico
Middle Rio Grande Conservancy District
Financial Trends
Net Position – Governmental Activities (Continued)

2021	2020	2019	2018	2017	2016
\$ 26,429,749	\$ 26,625,984	\$ 25,900,432	\$ 25,055,496	\$ 23,789,507	\$ 25,052,962
434,523	436,061	904,430	-	-	-
4,237,417	294,001	4,032,549	5,417,938	7,802,394	10,264,848
31,101,689	27,356,046	30,837,411	30,473,434	31,591,901	35,317,810
-	-	(2,421,155)	-	(1,623,375)	(3,727,132)
<u>\$ 31,101,689</u>	<u>\$ 27,356,046</u>	<u>\$ 28,416,256</u>	<u>\$ 30,473,434</u>	<u>\$ 29,968,526</u>	<u>\$ 31,590,678</u>

State of New Mexico
Middle Rio Grande Conservancy District
Financial Trends
Changes in Net Position – Governmental Activities

<i>June 30,</i>	2025	2024	2023	2022
Program Expenses				
Public works	\$ 38,848,865	\$ 29,628,573	\$ 29,245,604	\$ 23,397,802
Total governmental activity expenses	38,848,865	29,628,573	29,245,604	23,397,802
Program Revenues				
Charges for services	80,490	85,990	78,701	91,658
Operations and maintenance contracts	1,414,022	1,564,937	1,152,929	1,076,736
Operating and capital grants	13,855,691	8,012,684	1,861,666	1,823,664
Total program revenues	15,350,203	9,663,611	3,093,296	2,992,058
General Revenues				
Ad valorem assessments	29,337,201	27,367,273	21,778,341	20,762,043
Water service charges	2,832,653	2,486,482	2,384,501	2,378,432
Water bank/alternate curtailment fees	48,341	49,054	58,734	41,263
Investment income	1,436,598	1,392,800	1,089,505	61,902
Proceeds from sale of capital assets	13,051	-	104,031	80,543
Other revenue	133,264	134,971	567,036	198,679
Total general revenues	33,801,108	31,430,580	25,982,148	23,522,862
Change in net position	\$ 10,302,446	\$ 11,465,618	\$ (170,160)	\$ 3,117,118

(Continued)

State of New Mexico
Middle Rio Grande Conservancy District
Financial Trends
Changes in Net Position – Governmental Activities (Continued)

2021	2020	2019	2018	2017	2016
\$ 20,363,857	\$ 24,754,863	\$ 23,067,014	\$ 20,987,164	\$ 20,649,659	\$ 18,257,514
20,363,857	24,754,863	23,067,014	20,987,164	20,649,659	18,257,514
80,408	68,957	65,290	-	-	-
973,602	1,053,909	1,114,785	1,011,320	1,005,181	774,410
257,378	169,599	137,198	355,086	-	1,806,008
1,311,388	1,292,465	1,317,273	1,366,406	1,005,181	2,580,418
19,964,898	19,350,066	18,845,428	17,254,890	17,032,891	15,518,677
2,415,816	2,186,062	2,148,701	1,976,653	1,842,793	1,867,152
33,317	354,042	401,576	422,368	411,779	214,237
40,881	314,299	457,521	218,870	86,487	42,252
128,478	82,905	157,558	25,751	74,132	7,490
214,722	114,814	102,934	227,134	197,619	212,067
22,798,112	22,402,188	22,113,718	20,125,666	19,645,701	17,861,875
\$ 3,745,643	\$ (1,060,210)	\$ 363,977	\$ 504,908	\$ 1,223	\$ 2,184,779

State of New Mexico
Middle Rio Grande Conservancy District
Financial Trends
Fund Balances – Governmental Funds

<i>June 30,</i>	2025	2024	2023	2022
General Fund				
Nonspendable	\$ 1,267,813	\$ 1,074,773	\$ 1,082,682	\$ 1,190,997
Restricted	-	-	532,593	1,423,523
Committed	9,648,628	8,939,276	10,435,582	2,655,999
Assigned	841,742	1,042,649	3,717,993	7,106,320
Unassigned	16,434,663	14,944,906	11,335,902	7,753,544
Total general fund balance	28,192,846	26,001,604	27,104,752	20,130,383
Capital Investment Fund				
Restricted	3,060,263	1,982,802	-	-
Total capital investment fund balance	3,060,263	1,982,802	-	-
Other Governmental Funds				
Restricted	910,142	892,282	-	-
Committed	1,210,446	1,148,944	670,176	8,289,988
Assigned	-	-	-	-
Total other governmental funds balance	2,120,588	2,041,226	670,176	8,289,988
Total governmental fund balance	\$ 33,373,697	\$ 30,025,632	\$ 27,774,928	\$ 28,420,371

(Continued)

State of New Mexico
Middle Rio Grande Conservancy District
Financial Trends
Fund Balances – Governmental Funds (Continued)

	2021	2020	2019	2018	2017	2016
\$	924,094	\$ 966,695	\$ 955,477	\$ 819,421	\$ 873,175	\$ 863,848
	434,523	436,061	904,430	-	-	-
	2,406,933	492,511	-	-	-	-
	5,111,000	3,015,304	3,148,491	3,768,105	3,379,522	2,229,732
	10,583,758	14,297,731	12,370,597	10,934,077	10,796,001	9,262,593
	19,460,308	19,208,302	17,378,995	15,521,603	15,048,698	12,356,173
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	8,287,838	7,348,396	7,226,400	7,225,396	7,223,893	7,219,615
	-	-	604,577	604,336	604,094	603,853
	8,287,838	7,348,396	7,830,977	7,829,732	7,827,987	7,823,468
\$	27,748,146	\$ 26,556,698	\$ 25,209,972	\$ 23,351,335	\$ 22,876,685	\$ 20,179,641

State of New Mexico
Middle Rio Grande Conservancy District
Financial Trends
Changes in Fund Balances - Governmental Funds

<i>June 30,</i>	2025	2024	2023	2022
Revenue				
Taxes	\$28,898,140	\$26,985,430	\$21,768,375	\$20,789,295
Water service charges	2,755,937	2,360,199	2,489,207	2,282,470
Water bank/alternative curtailment fees	48,341	49,054	58,734	41,263
Licensing fees	80,490	85,990	78,701	91,658
Investment income	1,436,597	1,392,800	1,089,505	61,902
Project contract revenue	1,414,022	1,564,937	1,152,929	1,076,736
Operating and capital grants	13,855,691	8,012,684	1,861,666	1,823,664
Other	151,281	168,330	501,700	221,534
Total revenues	48,640,499	40,619,424	29,000,817	26,388,522
Expenditures				
Public works	34,982,393	26,470,705	26,586,736	22,687,682
Capital outlay	10,285,519	15,310,905	2,841,079	3,591,836
Debt service	836,175	435,372	423,496	516,210
Total expenditures	46,104,087	42,216,982	29,851,311	26,795,728
Other financing sources (uses)				
Loan proceeds	513,361	3,842,792	52,812	998,888
Lease proceeds	23,481	-	-	-
Subscription proceeds	261,760	5,470	50,446	-
Proceeds from sale of capital assets	13,051	-	101,793	80,543
Other	-	-	-	-
Transfers-in	1,853,370	4,267,468	7,659,508	-
Transfers-out	(1,853,370)	(4,267,468)	(7,659,508)	-
Total other financing sources(uses)	811,653	3,848,262	205,051	1,079,431
Net change in fund balance	\$ 3,348,065	\$ 2,250,704	\$ (645,443)	\$ 672,225

(Continued)

State of New Mexico
Middle Rio Grande Conservancy District
Financial Trends
Changes in Fund Balances - Governmental Funds (Continued)

2021	2020	2019	2018	2017	2016
\$20,055,781	\$19,325,373	\$18,764,682	\$17,409,986	\$16,657,827	\$15,554,182
2,446,634	2,299,642	2,147,345	1,962,647	1,831,912	1,823,242
33,317	354,042	400,826	421,118	407,753	187,827
80,408	68,957	65,290	-	-	-
40,881	314,299	457,521	218,870	86,487	42,252
1,033,756	1,053,909	1,114,785	1,011,320	1,551,440	774,410
257,378	1,199,373	1,269,757	482,476	-	1,500,000
195,329	114,115	99,841	228,384	201,645	184,805
24,143,484	24,729,710	24,320,047	21,734,801	20,737,064	20,066,718
21,684,397	21,099,548	20,423,602	18,992,387	17,588,984	17,216,374
977,953	1,939,210	4,558,631	2,293,923	552,120	2,213,858
450,403	447,005	390,960	7,813	7,813	7,813
23,112,753	23,485,763	25,373,193	21,294,123	18,148,917	19,438,045
-	-	2,735,575	-	-	-
-	-	-	-	-	-
32,239	-	-	-	-	-
128,478	102,779	176,208	33,972	108,897	7,530
-	-	-	-	-	53,672
938,129	-	-	-	-	-
(938,129)	-	-	-	-	-
160,717	102,779	2,911,783	33,972	108,897	61,202
\$ 1,191,448	\$ 1,346,726	\$ 1,858,637	\$ 474,650	\$ 2,697,044	\$ 689,875

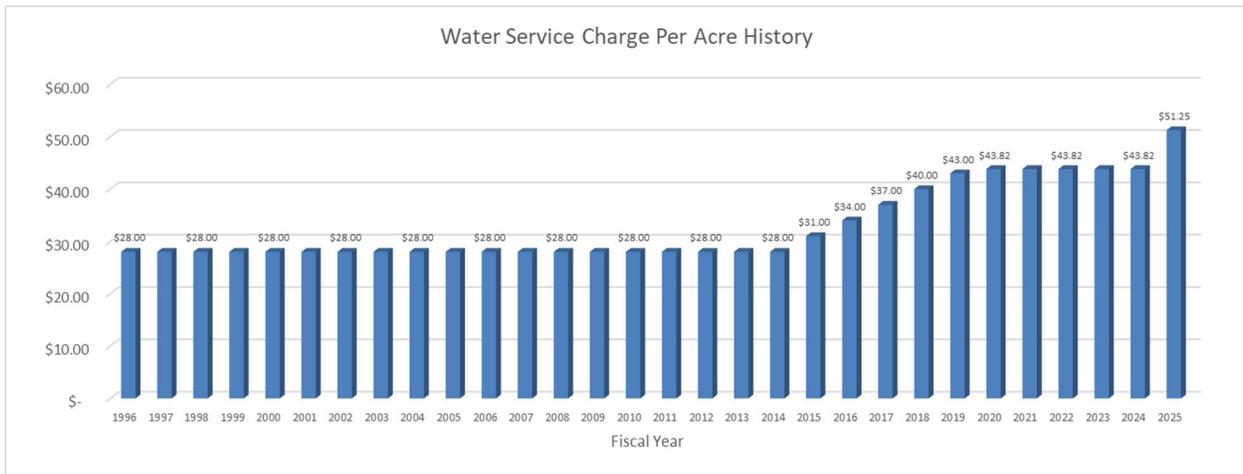
State of New Mexico
Middle Rio Grande Conservancy District
Revenue Capacity
Mill Rate and Water Service Charge History

Fiscal Year	Residential Mill Rate	Non-Residential Mill Rate
1996	4.780	5.970
1997	4.980	6.220
1998	5.260	6.570
1999	5.140	6.420
2000	5.190	6.490
2001	5.160	6.450
2002	5.040	6.300
2003	5.010	6.260
2004	4.960	6.200
2005	4.980	6.230
2006	4.620	5.770
2007	4.330	5.410
2008	3.970	4.960
2009	3.970	4.960
2010	3.970	4.960
2011	3.970	4.960
2012	3.970	4.960
2013	3.970	4.960
2014	3.970	4.960
2015	4.170	5.210
2016	4.380	5.470
2017	4.598	5.745
2018	4.873	6.032
2019	5.069	6.333
2020	5.069	6.333
2021	5.069	6.333
2022	5.069	6.333
2023	5.069	6.333
2024	6.069	7.333
2025	6.069	7.333

Fiscal Year	WSC
1996	\$ 28.00
1997	\$ 28.00
1998	\$ 28.00
1999	\$ 28.00
2000	\$ 28.00
2001	\$ 28.00
2002	\$ 28.00
2003	\$ 28.00
2004	\$ 28.00
2005	\$ 28.00
2006	\$ 28.00
2007	\$ 28.00
2008	\$ 28.00
2009	\$ 28.00
2010	\$ 28.00
2011	\$ 28.00
2012	\$ 28.00
2013	\$ 28.00
2014	\$ 28.00
2015	\$ 31.00
2016	\$ 34.00
2017	\$ 37.00
2018	\$ 40.00
2019	\$ 43.00
2020	\$ 43.82
2021	\$ 43.82
2022	\$ 43.82
2023	\$ 43.82
2024	\$ 43.82
2025	\$ 51.25

(Continued)

State of New Mexico Middle Rio Grande Conservancy District Revenue Capacity Mill Rate and Water Service Charge History (Continued)



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State of New Mexico
Middle Rio Grande Conservancy District
Revenue Capacity
Mill Rate and Water Service Charge History (Continued)

General Fund

Fiscal Year	Residential Mill Rate	Non-Residential Mill Rate	WSC
1996	4.780	5.970	\$ 28.00
1997	4.980	6.220	\$ 28.00
1998	5.260	6.570	\$ 28.00
1999	5.140	6.420	\$ 28.00
2000	5.190	6.490	\$ 28.00
2001	5.160	6.450	\$ 28.00
2002	5.040	6.300	\$ 28.00
2003	5.010	6.260	\$ 28.00
2004	4.960	6.200	\$ 28.00
2005	4.980	6.230	\$ 28.00
2006	4.620	5.770	\$ 28.00
2007	4.330	5.410	\$ 28.00
2008	3.970	4.960	\$ 28.00
2009	3.970	4.960	\$ 28.00
2010	3.970	4.960	\$ 28.00
2011	3.970	4.960	\$ 28.00
2012	3.970	4.960	\$ 28.00
2013	3.970	4.960	\$ 28.00
2014	3.970	4.960	\$ 28.00
2015	4.170	5.210	\$ 31.00
2016	4.380	5.470	\$ 34.00
2017	4.598	5.745	\$ 37.00
2018	4.873	6.032	\$ 40.00
2019	5.069	6.333	\$ 43.00
2020	5.069	6.333	\$ 43.82
2021	5.069	6.333	\$ 43.82
2022	5.069	6.333	\$ 43.82
2023	5.069	6.333	\$ 43.82
2024	5.069	6.333	\$ 43.82
2025	5.069	6.333	\$ 51.25

Capital Investment Fund

Fiscal Year	Residential Mill Rate	Non-Residential Mill Rate
1996		
1997		
1998		
1999		
2000		
2001		
2002		
2003		
2004		
2005		
2006		
2007		
2008		
2009		
2010		
2011		
2012		
2013		
2014		
2015		
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024	1.000	1.000
2025	1.000	1.000

State of New Mexico
Middle Rio Grande Conservancy District
Revenue Capacity
Ad Valorem Mill Rate per \$1,000 of Assessed Valuation

<i>June 30,</i>	2025	2024	2023	2022
General Fund				
Residential	5.069	5.069	5.069	5.069
Non-Residential	6.333	6.333	6.333	6.333
Capital Investment Fund				
Residential	1.000	1.000	-	-
Non-Residential	1.000	1.000	-	-
Total Mill Rate				
Residential	6.069	6.069	5.069	5.069
Non-Residential	7.333	7.333	6.333	6.333

(Continued)

State of New Mexico
Middle Rio Grande Conservancy District
Revenue Capacity
Ad Valorem Mill Rate per \$1,000 of Assessed Valuation (Continued)

2021	2020	2019	2018	2017	2016
5.069	5.069	5.069	4.873	4.598	4.380
6.333	6.333	6.333	6.032	5.745	5.470
-	-	-	-	-	-
-	-	-	-	-	-
5.069	5.069	5.069	4.873	4.598	4.380
6.333	6.333	6.333	6.032	5.745	5.470

State of New Mexico
Middle Rio Grande Conservancy District
Revenue Capacity
Water Service Charge History per Acre

<i>June 30,</i>	2025	2024	2023	2022
General Fund	\$ 51.25	\$ 43.82	\$ 43.82	\$ 43.82

(Continued)

State of New Mexico
Middle Rio Grande Conservancy District
Revenue Capacity
Water Service Charge History per Acre (Continued)

2021	2020	2019	2018	2017	2016
\$ 43.82	\$ 43.82	\$ 43.00	\$ 40.00	\$ 37.00	\$ 34.00

State of New Mexico
Middle Rio Grande Conservancy District
Revenue Capacity
Revenue Trends – Governmental Funds

<i>June 30,</i>	2025	2024	2023	2022
General Fund				
Ad Valorem Revenues & Interest	\$ 24,442,056	\$ 22,927,235	\$ 21,768,375	\$ 20,789,295
Increase from prior year	1,514,821	1,158,860	979,080	733,514
Mill Rate (Residential/Non-Residential)	6.0693/7.3334	6.0693/7.3334	5.0693/6.3334	5.0693/6.3334
Water Service Charges	2,725,449	2,360,199	2,489,207	2,282,470
Increase from prior year	365,250	(129,008)	206,737	(164,164)
Water Service Charge per Acre	51	44	44	44
Water Service Charge Acres	53,179	53,861	56,805	52,087
Capital Investment Fund				
Ad Valorem Revenues	4,456,084	4,058,195	-	-
Increase from prior year	397,889	-	-	-
Mill Rate (Residential/Non-Residential)	1.0/1.0	1.0/1.0		

(Continued)

State of New Mexico
Middle Rio Grande Conservancy District
Revenue Capacity
Revenue Trends – Governmental Funds (Continued)

2021	2020	2019	2018	2017	2016
\$ 20,055,781	\$ 19,325,373	\$ 18,513,577	\$ 17,172,724	\$ 16,367,087	\$ 15,285,813
730,408	811,796	1,340,853	805,637	1,081,274	1,125,033
5.0693/6.3334	5.0693/6.3334	5.0693/6.3334	4.8729/6.0318	4.598/5.7446	4.38/5.47
2,446,634	2,299,642	2,147,345	1,962,647	1,831,912	1,823,242
146,992	152,297	184,698	130,735	8,670	170,243
44	44	43	40	37	34
55,834	52,479	49,938	49,066	49,511	53,625
-	-	-	-	-	-
-	-	-	-	-	-

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State of New Mexico
Middle Rio Grande Conservancy District
Revenue Capacity
Ad Valorem Tax Levies and Collections

<i>FY Ended June 30,</i>	Tax Year	Property Taxes Levied	Collections To Date	% of Levy
2025	2024	\$ 28,846,990	\$ 26,877,620	93.2%
2024	2023	27,072,499	26,437,722	97.7%
2023	2022	21,438,227	21,277,236	99.2%
2022	2021	20,484,288	20,400,559	99.6%
2021	2020	19,726,369	19,678,144	99.8%
2020	2019	19,104,593	19,104,593	100.0%
2019	2018	18,573,599	18,551,800	99.9%
2018	2017	17,344,559	17,308,419	99.8%
2017	2016	17,210,851	17,182,883	99.8%
2016	2015	16,033,974	16,010,152	99.9%

Source: 10 Year Collection Reports from Bernalillo County, Valencia County, Sandoval County, Sororro County.

State of New Mexico
Middle Rio Grande Conservancy District
Revenue Capacity
Assessed Value and Estimate of Actual Value of Property

Bernalillo County

Tax Year	Base Value	Net New Valuation	Valuation Maintenance	Centrally Assessed	Total Assessed Valuation
2025	\$ 2,891,951,634	\$ 23,615,675	\$ 183,181,785	\$ 151,485,577	\$ 3,250,234,671
2024	2,754,723,396	33,897,949	69,880,644	161,560,713	3,020,062,702
2023	2,601,155,809	29,193,370	157,160,241	121,079,363	2,908,588,783
2022	2,492,914,069	29,181,102	68,670,651	111,320,743	2,702,086,565
2021	2,406,623,533	15,731,932	30,742,315	116,240,403	2,569,338,183
2020	2,324,331,369	31,307,939	27,770,123	104,812,691	2,488,222,122
2019	2,254,808,745	19,877,134	34,896,170	107,010,659	2,416,592,708
2018	2,193,807,273	15,648,368	20,620,748	102,161,518	2,332,237,907
2017	2,123,111,736	19,859,146	33,894,188	127,411,939	2,304,277,009
2016	2,073,730,347	20,433,381	1,985,029	143,705,151	2,239,853,908

Valencia County

Tax Year	Base Value	Net New Valuation	Valuation Maintenance	Centrally Assessed	Total Assessed Valuation
2025	\$ 864,904,905	\$ 9,249,176	\$ 19,417,943	\$ 76,684,693	\$ 970,256,717
2024	794,680,102	11,435,390	61,530,084	66,529,603	934,175,179
2023	755,789,908	9,267,047	28,380,739	63,239,029	856,676,723
2022	717,894,809	5,295,716	28,327,546	56,018,455	807,536,526
2021	682,589,343	4,961,707	24,585,113	43,727,574	755,863,737
2020	673,831,302	3,200,504	2,961,385	40,839,413	720,832,604
2019	663,183,556	6,331,352	20,495	32,449,888	701,985,291
2018	646,447,211	6,388,365	(88,099,441)	25,881,499	590,617,634
2017	624,503,741	7,584,673	92,200,355	29,720,551	754,009,320
2016	608,082,072	4,005,817	8,756,333	24,311,176	645,155,398

Sandoval County

Tax Year	Base Value	Net New Valuation	Valuation Maintenance	Centrally Assessed	Total Assessed Valuation
2025	\$ 431,727,758	\$ 3,540,887	\$ 20,668,034	\$ 18,467,960	\$ 474,404,639
2024	393,242,702	4,403,523	25,802,728	18,387,846	441,836,799
2023	364,464,929	6,296,564	19,071,874	17,651,715	407,485,082
2022	336,359,947	5,480,599	19,894,134	16,288,470	378,023,150
2021	319,188,691	2,599,284	7,819,741	17,010,265	346,617,981
2020	307,635,302	3,219,353	2,901,907	17,342,653	331,099,215
2019	297,428,127	2,651,804	3,074,326	38,367,092	341,521,349
2018	289,351,008	3,607,664	1,598,131	30,061,073	324,617,876
2017	279,094,461	2,271,571	4,494,683	32,689,416	318,550,131
2016	274,414,878	4,587,108	(3,719,186)	31,313,627	306,596,427

(Continued)

State of New Mexico
Middle Rio Grande Conservancy District
Revenue Capacity
Assessed Value and Estimate of Actual Value of Property (Continued)

Socorro County

Tax Year	Base Value	Net New Valuation	Valuation Maintenance	Centrally Assessed	Total Assessed Valuation
2025	\$ 100,833,591	\$ 1,889,021	\$ 3,196,329	\$ 20,909,247	\$ 126,828,188
2024	95,543,860	1,105,935	4,183,796	20,140,258	120,973,849
2023	89,229,559	1,723,419	4,039,066	20,756,840	115,748,884
2022	81,288,003	2,879,601	4,560,870	19,684,666	108,413,140
2021	78,865,560	554,966	(752,088)	19,268,438	97,936,876
2020	77,674,849	744,433	(27,379)	18,614,513	97,006,416
2019	77,330,527	647,347	(741,145)	16,005,246	93,241,975
2018	76,669,043	2,980,891	(2,778,829)	15,441,077	92,312,182
2017	74,577,502	1,292,410	248,267	13,625,931	89,744,110
2016	74,731,536	1,072,922	(1,872,775)	12,897,561	86,829,244

All Counties

Tax Year	Base Value	Net New Valuation	Valuation Maintenance	Centrally Assessed	Total Assessed Valuation
2025	\$ 4,289,417,888	\$ 38,294,759	\$ 226,464,091	\$ 267,547,477	\$ 4,821,724,215
2024	4,038,190,060	50,842,797	161,397,252	266,618,420	4,517,048,529
2023	3,810,640,205	46,480,400	208,651,920	222,726,947	4,288,499,472
2022	3,628,456,828	42,837,018	121,453,201	203,312,334	3,996,059,381
2021	3,487,267,127	23,847,889	62,395,081	196,246,680	3,769,756,777
2020	3,383,472,822	38,472,229	33,606,036	181,609,270	3,637,160,357
2019	3,292,750,955	29,507,637	37,249,846	193,832,885	3,553,341,323
2018	3,206,274,535	28,625,288	(68,659,391)	173,545,167	3,339,785,599
2017	3,101,287,440	31,007,800	130,837,493	203,447,837	3,466,580,570
2016	3,030,958,833	30,099,228	5,149,401	212,227,515	3,278,434,977

State of New Mexico
Middle Rio Grande Conservancy District
Debt Capacity
Long Term Liabilities

Fiscal Year	Total Debt	% of Estimated Taxable Value of Property (1)	Debt per Property Within District Boundaries
2025	\$ 7,410,364	0.00%	96.63
2024	7,222,050	0.16%	94.28
2023	3,694,371	0.09%	48.26
2022	4,083,972	0.10%	53.42
2021	4,940,823	0.13%	64.52
2020	2,127,791	0.06%	27.97
2019	2,523,483	0.07%	33.14
2018	114,882	0.00%	1.51
2017	122,389	0.00%	-
2016	129,877	0.00%	-

1). See Schedule of Assessed Value Property Value Data

All Counties Tax Year	Base Value	Net New Valuation	Valuation Maintenance	Centrally Assessed	Total Assessed Valuation
2025	\$ 4,289,417,888	\$ 38,294,759	\$ 226,464,091	\$ 267,547,477	\$ 4,821,724,215
2024	4,038,190,060	50,842,797	161,397,252	266,618,420	4,517,048,529
2023	3,810,640,205	46,480,400	208,651,920	222,726,947	4,288,499,472
2022	3,628,456,828	42,837,018	121,453,201	203,312,334	3,996,059,381
2021	3,487,267,127	23,847,889	62,395,081	196,246,680	3,769,756,777
2020	3,383,472,822	38,472,229	33,606,036	181,609,270	3,637,160,357
2019	3,292,750,955	29,507,637	37,249,846	193,832,885	3,553,341,323
2018	3,206,274,535	28,625,288	(68,659,391)	173,545,167	3,339,785,599
2017	3,101,287,440	31,007,800	130,837,493	203,447,837	3,466,580,570
2016	3,030,958,833	30,099,228	5,149,401	212,227,515	3,278,434,977



COMPLIANCE SECTION





CARR, RIGGS & INGRAM, L.L.C.

Carr, Riggs & Ingram, L.L.C.
2424 Louisiana Boulevard NE
Suite 300
Albuquerque, NM 87110

505.883.2727
505.884.6719 (fax)
CRladv.com

INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Joseph M. Maestas, P.E., CFE, New Mexico State Auditor
The Office of Management and Budget and
The Judges of the District Court of the
Second Judicial District of the
State of New Mexico and
The Board of Directors of the State of New Mexico
Middle Rio Grande Conservancy District
Albuquerque, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the budgetary comparisons for the general fund and major special revenue fund that has a legally adopted annual budget of the Middle Rio Grande Conservancy District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated January 16, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District’s internal control over financial reporting (internal control) as a basis for designing 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 District’s internal control. Accordingly, we 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.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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 financial statements. 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 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 our 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.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, L.L.C.
Albuquerque, NM
January 16, 2026

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CARR, RIGGS & INGRAM, L.L.C.

Carr, Riggs & Ingram, L.L.C.
2424 Louisiana Boulevard NE
Suite 300
Albuquerque, NM 87110

505.883.2727
505.884.6719 (fax)
CRladv.com

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Joseph M. Maestas, P.E., CFE, New Mexico State Auditor
The Office of Management and Budget and
The Judges of the District Court of the
Second Judicial District of the
State of New Mexico and
The Board of Directors of the State of New Mexico
Middle Rio Grande Conservancy District
Albuquerque, New Mexico

Report on Compliance for the Major Federal Program

Opinion on Major Federal Program

We have audited the Middle Rio Grande Conservancy District's (the "District") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2025. 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.

In our 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 its major federal program for the year ended June 30, 2025.

Basis for Opinion on the Major Federal Program

We conducted our 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* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our 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.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, L.L.C.

Albuquerque, NM

January 16, 2026

State of New Mexico
Middle Rio Grande Conservancy District
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Federal Agency Pass-through Grantor Program Title	Assistance Listing Number
Bureau of Reclamation	
Fish and Wildlife Coordination Act Grants	15.517
Total Bureau of Reclamation	
U.S Environmental Protection Agency	
<i>Passed through the New Mexico Environment Department</i>	
Capitalization Grants for Clean Water State Revolving Funds	66.458
Total U.S. Environmental Protection Agency	
U.S. Department of Treasury	
<i>Passed through the New Mexico Office of the State Engineer</i>	
COVID-19: Coronavirus State and Local Fiscal Recovery Fund	21.027
Total U.S. Department of Treasury	
U.S. Department of Agriculture	
<i>Passed through the Natural Resources Conservation Services</i>	
Watershed Protection and Flood Prevention	10.904
Total U.S. Department of Agriculture	
Total Federal Financial Assistance	

* Major Program
 () Denotes Cluster

(Continued)

State of New Mexico
Middle Rio Grande Conservancy District
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025 (Continued)

Contract/ Grant Number	Federal Expenditures	Program/Cluster Subtotal	Funds Provided to Subrecipients
2504.18.067387	\$ 548,770	\$ -	\$ -
	548,770	-	-
CWSRF 085	352,595	-	-
	352,595	-	-
5500-030-ZH5104-SA030	7,153,033	-	-
	7,153,033	-	-
NR208C30XXXXC006	250,916	-	-
	250,916	-	-
	\$ 8,305,314	\$ -	\$ -

State of New Mexico
Middle Rio Grande Conservancy District
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Middle Rio Grande Conservancy District (the "District") and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the basic financial statements. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not represent the financial position of the District.

2. Indirect Cost Rate

The Uniform Guidance allows an organization to elect to use a de minimis indirect cost rate. For the year ended June 30, 2025, the District did not elect to use this rate.

3. Loan / Loan Guarantee Outstanding Balances

The District did not have any federal loans or loan guarantees outstanding during the year ended June 30, 2025.

4. Sub-Recipients

During the year ended June 30, 2025, the District had no sub-recipients.

5. Noncash Assistance and Other

The District did not receive any noncash assistance or federally funded insurance during the year ended June 30, 2025.

6. Contingencies

Grant monies received and disbursed by the District are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon experience, the District does not believe that such disallowance, if any, would have a material effect on the financial position of the District. The District did not receive any noncash assistance or federally funded insurance during the year ended June 30, 2025.

7. Federal Pass-through Funds

The District is also the sub-recipient of federal funds that have been subjected to testing and are reported as expenditures and listed as federal pass-through funds. Federal awards other than those indicated as pass-through are considered to be direct.

State of New Mexico
Middle Rio Grande Conservancy District
Schedule of Findings and Questioned Costs
June 30, 2025

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements:

- | | |
|--|---------------|
| 1. Type of auditor’s report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None reported |
| c. Noncompliance material to the financial statements? | No |

Federal Awards:

- | | |
|--|---------------|
| 1. Type of auditor’s report issued on compliance for major programs | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None reported |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516 (a)? | No |

4. Identification of major programs:

Assistance Listing Number	Federal Program
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Fund

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 6. Auditee qualified as low-risk auditee? | Yes |

State of New Mexico
Middle Rio Grande Conservancy District
Schedule of Findings and Questioned Costs
June 30, 2025

SECTION II – FINANCIAL STATEMENT FINDINGS

None noted.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None noted.

SECTION IV – SECTION 12-6-5 NMSA 1978 FINDINGS

None noted.

SECTION V – SUMMARY OF PRIOR YEAR FINDINGS

2024-001 – Capital Assets – Significant Deficiency (Resolved)

State of New Mexico
Middle Rio Grande Conservancy District
Other Disclosures
June 30, 2025

EXIT CONFERENCE

The contents of this report were discussed on January 16, 2026. The following individuals were in attendance:

Representing Middle Rio Grande Conservancy District

Stephanie Russo-Baca	Board Member
Karen Dunning	Board Member
Jason Casuga	Chief Executive Officer
Pamela Fanelli	Chief Financial Officer
Joshua Gamboa	Controller

Representing Carr, Riggs & Ingram, L.L.C.

Alan D. "A.J." Bowers, Jr., CPA, CITP	Partner
Adeel Gauba	Senior Accountant

AUDITOR PREPARED FINANCIALS

Carr, Riggs & Ingram, L.L.C. prepared the GAAP-basis financial statements and footnotes of the District from the original books and records provide to them by the management of the District. The responsibility for the financial statements remains with the District.