



**State of New Mexico  
Buckman Direct Diversion Project**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**For the Year Ended June 30, 2025**

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# INTRODUCTORY SECTION





## **INTRODUCTORY SECTION**

Table of Contents .....	4
Official Roster .....	5

## **FINANCIAL SECTION**

Independent Auditor's Report .....	8
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## **BASIC FINANCIAL STATEMENTS**

Statement of Net Position .....	14
Statement of Revenues, Expenses and Change in Net Position .....	17
Statement of Cash Flows .....	18
Notes to Financial Statements .....	20

## **SUPPLEMENTARY INFORMATION**

Budgetary Comparison Schedule – Schedule of Revenues, Expense, and Change in Net Position Budget (Non-GAAP Budgetary Basis) and Actual.....	36
Schedule of Changes in Restricted Net Position by Partner .....	37

## **REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS**

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 <i>Government Auditing Standards</i> .....	40
Schedule of Findings and Responses .....	42
Other Disclosures .....	43

**State of New Mexico**  
**Buckman Direct Diversion Project**  
**Official Roster**

***ELECTED OFFICIALS***

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Justin Greene	Chairperson of the BDD Board, County Commissioner
Carol Romero-Wirth	Vice Chairperson of the BDD Board, City Councilor
Jaime Cassutt	City Councilor
Peter Ives	Citizen Member Alternate At-Large
Pilar Faulkner	City Councilor Alternate
Hank Hughes	County Commissioner
Adam Johnson	County Commissioner Alternate
Rolf Schmidt-Peterson	Citizen Member At-Large
Tom Egelhoff	Las Campanas Club (non-voting)
Jeffrey Guy	Las Campanas CoOp (non-voting)

***ADMINISTRATIVE OFFICIALS***

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Bradley Prada	BDD Facilities Manager
Vacant	BDD Accounting Supervisor
Emily Oster	City of Santa Fe Finance Director

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## FINANCIAL SECTION





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

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Albuquerque, NM 87110

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CRIadv.com

## **INDEPENDENT AUDITOR'S REPORT**

Joseph M. Maestas, P.E., CFE, New Mexico State Auditor  
Board Members  
Buckman Direct Diversion Project  
Santa Fe, New Mexico

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Buckman Direct Diversion Project (BDD), a component unit of the City of Santa Fe, New Mexico, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise BDD'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 BDD as of June 30, 2025, and the respective changes in financial position, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United State of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 BDD and to meet our other ethical responsibilities, in accordance with the 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 audit opinions.

#### ***Emphasis of Matter***

##### ***Reporting Entity***

As discussed in Note 1, the financial statements of BDD are intended to present the financial position, and the changes in financial position of only that portion of the business-type activities that are attributable to BDD. They do not purport to, and do not present fairly the financial position of the City of Santa Fe, New Mexico, as of June 30, 2025, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### *Correction of Error*

As described in Note 3 to the financial statements, the prior year financial statement have been corrected for an error in the amount of \$275,519. Our opinion is not modified with respect to this matter.

### ***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 BDD'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 opinion. 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. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 BDD'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 BDD'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***

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise BDD's basic financial statements. The accompanying budgetary comparison schedule - schedule of revenues, expenses, and changes in net position budget (non-GAAP budgetary basis) and actual and the schedule of changes in restricted net position by partner ("supplementary information") 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 supplementary information is 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 and other disclosures but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does 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 December 15, 2025, on our consideration of BDD'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 BDD'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 BDD's internal control over financial reporting and compliance.

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

CARR, RIGGS & INGRAM, L.L.C.  
Albuquerque, New Mexico  
December 15, 2025

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## BASIC FINANCIAL SECTION



**State of New Mexico**  
**Buckman Direct Diversion Project**  
**Statement of Net Position**

<i>June 30, 2025</i>	Business-Type Activity
<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 6,282,499
Restricted cash and cash equivalents	
Emergencies	2,254,176
Major repair and replacement	81,353,985
Partners' accounts receivable	
City of Santa Fe	1,652,446
Santa Fe County	1,032,991
Las Campanas Club	122,709
Las Campanas CoOp	59,005
Interest receivable	274,106
Prepaid items	10,000
Other receivable	19,568
Grants receivable	85,083
Chemical inventory	148,812
Total current assets	93,295,380
Noncurrent assets	
Capital assets not being depreciated	361,368
Capital assets being depreciated	13,608,021
Accumulated depreciation	(5,044,550)
Total noncurrent assets	8,924,839
Total assets	\$ 102,220,219

(Continued)

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

<i>June 30, 2025</i>	Business-Type Activity
<b>Liabilities and Net Position</b>	
Current liabilities	
Partners' credit balances	
City of Santa Fe	\$ 197,767
Accounts payable	979,621
Intergovernmental payable	347,188
Accrued Payroll	81,184
Compensated absences - current	46,129
<hr/>	
Total current liabilities	1,651,889
Noncurrent liabilities	
Compensated absences - noncurrent	176,551
<hr/>	
Total noncurrent liabilities	176,551
<hr/>	
Net position	
Net investment in capital assets	8,924,839
Restricted for:	
Emergency reserves	2,254,176
Major repair and replacement reserves	81,353,985
Unrestricted	7,858,779
<hr/>	
Total net position	100,391,779
<hr/>	
Total liabilities and net position	\$ 102,220,219
<hr/>	

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

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**State of New Mexico**  
**Buckman Direct Diversion Project**  
**Statement of Revenues, Expenses and Change in Net Position**

<i>For the year ended June 30, 2025</i>	Business-Type Activity
<b>Operating Revenues</b>	
Reimbursements	
City of Santa Fe	\$ 6,412,734
Santa Fe County	2,127,264
Las Campanas Club	178,190
Las Campanas CoOp	104,279
Utility reimbursements	1,270,957
Federal grants	88,359
<hr/>	
Total operating revenues	10,181,783
<b>Operating Expenses</b>	
Buckman Direct Diversion Project operations	8,120,045
Major repairs	557,768
<hr/>	
Total operating expenses	8,677,813
<hr/>	
Total operating Income (loss)	1,503,970
<b>Nonoperating Revenue</b>	
Gain /Loss on investments	582
Investment income	3,956,009
<hr/>	
Total nonoperating revenue	3,956,591
<hr/>	
Change in net position	5,460,561
<hr/>	
Net position, beginning of year as previously reported	95,206,737
Error correction (note 3)	(275,519)
<hr/>	
Net position, beginning of year as corrected	94,931,218
<hr/>	
Net position, end of year	\$ 100,391,779
<hr/> <hr/>	

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

**State of New Mexico**  
**Buckman Direct Diversion Project**  
**Statement of Cash Flows**

<i>For the year ended June 30, 2025</i>	Business-type Activity
<b>Operating Activities</b>	
Cash received from partners' and PNM	\$ 9,836,137
Cash paid to suppliers for goods and services	(5,086,898)
Cash paid to employees for services	(2,666,660)
<hr/>	
Net cash provided by operating activities	2,082,579
<b>Capital and Related Financing Activities</b>	
Acquisition and construction of capital assets	(458,807)
<hr/>	
Net cash (used for) capital and related financing activities	(458,807)
<b>Investing Activities</b>	
Investment income	4,006,787
<hr/>	
Net cash provided by investing activities	4,006,787
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Net cash provided by investing activities	4,006,787
Net change in cash and cash equivalents	5,630,559
Total cash, cash equivalents, restricted cash and investments, beginning of year	84,260,101
<hr/>	
Total cash, cash equivalents, restricted cash and investments, end of year	\$ 89,890,660
<hr/>	
<b>Reported in the statement of net position as</b>	
Cash and cash equivalents	\$ 6,282,499
Restricted cash and cash equivalents	
Emergencies	2,254,176
Major repair and replacement	81,353,985
<hr/>	
Total cash and cash equivalents	\$ 89,890,660
<hr/>	

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

<i>For the year ended June 30, 2025</i>	Business-type Activity
<b>Reconciliation of Operating Income to Net Cash (Used For)</b>	
<b>Operating Activities</b>	
Operating income	\$ 1,503,970
Adjustments to reconcile operating income to net cash (used for) operating activities	
Depreciation	937,117
Changes in assets and liabilities	
Partners' accounts receivable	(395,183)
Other receivable	3,534
Grants receivable	46,003
Chemical inventory	(7,496)
Accounts payable	(50,933)
Accrued payroll	2,266
Compensated absences	52,413
Intergovernmental payable	(9,112)
<b>Total adjustments</b>	<b>578,609</b>
<b>Net cash provided by operating activities</b>	<b>\$ 2,082,579</b>

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

**State of New Mexico**  
**Buckman Direct Diversion Project**  
**Notes to Financial Statements**

**Note 1: ORGANIZATION**

Under a joint powers agreement (“JPA”) for the Buckman Direct Diversion Project (the “BDD”) Project dated January 11, 2005, the City of Santa Fe (“the City”) joined Santa Fe County (“the County”) to design and construct the Buckman Direct Diversion Project in order to divert surface water from the Rio Grande River to the independent water systems of the City and County to reduce reliance on over-taxed ground water resources. Operations of the BDD commenced May 15, 2011. The BDD site is located 15 miles northwest of Santa Fe, approximately three miles downstream from where Route 3 crosses the Rio Grande River at the Otowi Bridge. BDD is considered under the provisions of the Joint Powers Act to be an entity separate from the individual parties named in the JPA as prescribed by State Statute Section II I-5(B) NMSA 1978. The City and County each own 50% of the diversion facilities of BDD and have established a board to oversee the planning, procurement, financing, permitting, design, and construction of the BDD as well as the operations and management of BDD. The board is comprised of two members of the governing body of the City of Santa Fe, two members of the governing body of Santa Fe County Commissioners, and one citizen member at large appointed by a majority vote of the four other members. Other project participants include Las Campanas Limited Partnership (which includes the Las Campanas Club and Las Campanas CoOp), who retains no ownership interest in BDD but pays for its proportional share of that system (diversion structure, sediment pond, and related infrastructure) it actually uses. The City of Santa Fe, Santa Fe County, and Las Campanas Limited Partnership are referred to in these financial statements as the user partners. BDD Project is jointly owned by the City of Santa Fe and the County of Santa Fe. Construction of the facility was completed in December 2010 and the project was completed under the terms of the construction contract on May 15, 2011, which is the approximate date upon which operations commenced.

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The summary of significant accounting policies of BDD is presented to assist in the understanding of BDD’s financial statements. The financial statements and notes are the representation of BDD’s management who is responsible for their integrity and objectivity. The financial statements of BDD have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applies to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

***Financial 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 BDD for financial reporting purposes, management has considered all potential component units.

**State of New Mexico**  
**Buckman Direct Diversion Project**  
**Notes to Financial Statements**

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

BDD does not have any component units required to be reported under the GASB codification.

***Enterprise Fund Financial Statements***

BDD is a single purpose government entity and has only business-type activities. In the statement of net position, activities are presented on a consolidated basis and are reflected on the full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. BDD's net position is reported in three parts – net investment in capital assets, restricted net position, and unrestricted net position.

***Measurement Focus, Basis of Accounting and Financial Statement Presentation***

The accounts of BDD are organized on the basis of a proprietary or enterprise fund. Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the board has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability. Enterprise funds are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

***Assets, Liabilities, and Net Position***

***Cash and cash equivalents***

Cash is pooled into one common account maintained by the City, BDD's fiscal agent, in order to maximize investment opportunities. BDD's monies deposited in the pooled cash account have equity therein, and interest earned on any of the investment of these monies is allocated based upon relative equity at month-end. Cash and cash equivalents are considered to be a share of the City's pooled cash, short-term investments with original maturities of three months or less from the date of acquisition. Please refer to the City's financial statements for the year ended June 30, 2025 for a complete description of permissible investments and risk disclosures concerning cash investments.

***Receivables and Payables***

All trade and other receivables are shown net of allowances for uncollectable amounts, when applicable. Receivables are analyzed for their collectability based on the terms of and conditions of agreements, as well as current economic conditions and consideration of the creditors' ability to pay. In addition to those receivables specifically identified as uncollectable, a general allowance is established for receivables older than one year. As of June 30, 2025, no allowance for doubtful accounts was deemed necessary.

**State of New Mexico  
Buckman Direct Diversion Project  
Notes to Financial Statements**

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Assets, Liabilities, and Net Position (continued)***

*Partners' Accounts Receivables/Partners' Credit Balances*

A prebilling precedes the month of billing on an estimated basis for cash flow purposes based on the monthly approved budget. Outstanding amounts owed to BDD from prebilling activities are reported as Partners' accounts receivable in the statement of net position. Revenue from the user partners is recognized each month based on the monthly expenses that have been incurred. A final billing is made based on actual costs and expenses incurred for fixed, variable, and project-wide costs. Amounts paid by partners in excess of final invoiced amounts are recorded as partners' credit balances in the statement of net position and used to offset future billings.

*Chemical Inventory*

Chemical inventory recorded in BDD's enterprise fund is stated at the lower of cost of market and totals \$148,812 at June 30, 2025. The cost of consumption is billed to each individual partner monthly, and is determined using the average cost method.

*Capital Assets*

Capital assets are recorded at cost. The fiscal agent's (City of Santa Fe) policy is to capitalize all assets with a cost of \$5,000 or greater. Major outlays for capital assets and improvements are capitalized as projects as they are constructed. Capital assets are depreciated using the straight-line method over the following estimated useful lives as follows:

Capital asset classes	Lives
Buildings and systems	50 years
Equipment and machinery	7 years
Vehicles	8 years
Data processing and software	3 years
Utility systems	25 years

*Restricted Assets*

Certain assets of BDD 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:

**State of New Mexico**  
**Buckman Direct Diversion Project**  
**Notes to Financial Statements**

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Assets, Liabilities, and Net Position (continued)***

*Emergency reserve* – in accordance with the emergency reserve fund policy, certain resources are restricted to assure BDD’s timely response to emergencies, which could potentially threaten, reduce, or eliminate BDD’s capacity to meet its customers’ demands.

*Major repair and replacement reserve* – in accordance with the major repair and replacement reserve fund policy, certain resources are restricted to assure BDD’s ability to cover the repair and replacement cost of capital assets already in existence within BDD.

***Compensated Absences***

BDD recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. BDD uses a Last-In, First-Out (LIFO) method to determine the usage and valuation of vacation and sick leave. Under this method, the most recently accrued leave is assumed to be used first.

**Vacation**

BDD’s policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee’s current pay rate upon separation from employment.

**Sick Leave**

BDD’s policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employ of BDD and, upon separation from service, no monetary obligation exists. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

***Minimum Restricted Net Position Policies***

The emergency reserve and repair and replacement reserve are reserve funds that were required by the Facility Operations and Procedures Agreement and approved by the board on February 3, 2011.

**State of New Mexico**  
**Buckman Direct Diversion Project**  
**Notes to Financial Statements**

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Assets, Liabilities, and Net Position (continued)***

Both the emergency reserve and the repair and replacement reserve are to be funded through specific contributions from the user partners and utilized for specified purposes. The emergency reserve target balance is \$2,000,000 and was funded over a two-year period and was fully funded at June 30, 2014. For the repair and replacement reserve, BDD approved \$1,935,019 in annual partner contributions for fiscal year 2025. During fiscal year 2025, \$243,014 was utilized for combined emergency and repair purposes.

***Equity Classifications***

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.

*Restricted net position* – Consist of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors/partners, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation.

BDD's restricted net position balances are a result of the emergency fund policy and major repair and replacement fund policy, described below:

- Emergency reserve fund policy – In order to secure resources assuring BDD's timely response to emergencies, which could potentially threaten, reduce, or eliminate BDD's capacity to meet its customers' demands, BDD established an accumulation target amount of \$2,000,000 to fund the emergency reserve fund. While insurance may provide reimbursement of costs associated with some emergency situations, the Emergency Reserve Fund will provide an immediate infusion of the fund that are necessary to address the situation without having to first solicit funding from the partners. The total amount funded as of June 30, 2025 was \$2,254,176.
- Major repair and replacement fund policy - In accordance with the BDD's intergovernmental agreements and in order to secure resources assuring BDD's ability to cover the repair and replacement cost of capital assets already in existence within BDD, this policy ensures funding is available to repair or replace capital equipment when the capital equipment has reached the end of its effective useful life. BDD initially established an accumulation target of \$411,812 in annual contributions to be fully funded by the end of each fiscal year. In subsequent years, the board approves a target contribution that the BDD Facility Manager proposes for specific major repair or replacement projects along with the Operating Budget for each fiscal year. In 2022, BDD agreed to settlement terms in open litigation in which BDD received \$70 Million, which has been held along with interest earned for future comprehensive improvements. The total amount funded as of June 30, 2025 was \$81,353,985.

**State of New Mexico**  
**Buckman Direct Diversion Project**  
**Notes to Financial Statements**

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Assets, Liabilities, and Net Position (continued)***

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

***Policy on Use of Restricted and Unrestricted Resources***

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

***Revenues and Expenses***

Business-type activities distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the fund’s principal ongoing operations. The principal operating revenue of the BDD Project’s enterprise fund is reimbursements from user partners for the cost of operations. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Grants and similar items are recognized as revenue as soon as eligibility requirements imposed by the provider have been met. In fiscal year 2019, BDD received a grant award from the U.S. Department of Energy for water quality monitoring activities. Expenditures totaling \$88,359 were incurred against the grant during fiscal year 2025.

***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures including that useful lives of depreciable assets and the estimated usage of leave balances by employees. Accordingly, actual results could differ from those estimates.

***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 15, 2025, and determined there were no events that occurred that required disclosure.

**State of New Mexico**  
**Buckman Direct Diversion Project**  
**Notes to Financial Statements**

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Budgetary Information***

BDD's annual operating budget for the enterprise fund is adopted on a basis other than generally accepted accounting principles (non-GAAP basis). Depreciation is not budgeted for the enterprise fund. The budget includes both the proposed City and County portions and requires approval from both the City Council and the County Commission. The budget must also be approved by BDD's board. The budget and any adjustments are subject to the regular budget requirements and calendar cycles of the City and the County. Budgetary control is at the fund level for the enterprise fund. Encumbrances (purchase orders, contract, and other commitments for the expenditure of resources) outstanding at year-end are carried forward to the new fiscal year and do not constitute expenses or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

***Recently Issued and Implemented Accounting Procurements***

During the fiscal year ended June 30, 2025, BDD adopted GASB Statement No. 101, *Compensated Absences* and GASB Statement No. 102, *Certain Risk Disclosures*. The implementation of GASB Statement No. 101 and GASB Statement No. 102, did not have a significant impact on BDD's financial statements.

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.

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

**Note 3: RECLASSIFICATION AND ERROR CORRECTION**

BDD's fiscal year 2025 financial statements incorporate an error correction to previously issued financial statements. GASB Statement No. 100, *Accounting Changes and Error Corrections*, requires disclosure of their nature and effect on amounts reported in the financial statements.

**State of New Mexico**  
**Buckman Direct Diversion Project**  
**Notes to Financial Statements**

**Note 3: RECLASSIFICATION AND ERROR CORRECTION (Continued)**

- During the current year BDD reclassified beginning balances of accrued payroll and compensated absences in the amounts of \$78,918 and \$170,267, respectively, which were previously reported as intergovernmental payable in the June 30, 2024 statement of net position.
- BDD discovered during the current year that partner accounts receivable balances were overstated due to incorrect billings in the amount of \$275,519.

The following table summarizes the restatement to BDD’s beginning net position as a result of the error correction:

	Business-type Activity
June 30, 2024 net position, previously reported	\$ 95,206,737
Error correction	(275,519)
June 30, 2024 net position, as corrected	\$ 94,931,218

**Note 4: CASH AND CASH EQUIVALENTS**

At June 30, 2025, BDD had the following cash, cash equivalents, and cash investments totaling \$89,890,660:

Investment Type	Fair Value	Percentage of Total	Weighted Average Maturities	S&P Rating
Money market funds/cash sweeps	\$ 79,562,545	89%	N/A	N/A
Fixed income securities	-	0%	1.32 years	AA+
Deposits with the City of Santa Fe	10,328,115	11%	N/A	N/A
<b>Total</b>	<b>\$ 89,890,660</b>			

Deposits with the City of Santa Fe represent BDD’s portion in cash and investment pooled accounts maintained by the City of Santa Fe. The City invests its pooled cash into U.S. Government securities, repurchase agreements, municipal bonds, certificates of deposit, the State Treasurer’s investment pool, and U.S. Government security mutual funds. Please refer to the financial statement of the City of Santa Fe, New Mexico, for the disclosure information regarding the custodial credit risk and other risks that may apply. The report may be obtained from the City by contacting the assistant finance director at 200 Lincoln Avenue, P.O. Box 909 Santa Fe, New Mexico 87504-0909.

**State of New Mexico**  
**Buckman Direct Diversion Project**  
**Notes to Financial Statements**

**Note 5: PARTNERS' ACCOUNTS RECEIVABLE/PARTNERS' CREDIT BALANCES**

The following table shows the balances outstanding from each partner or partner credit balance as of June 30, 2025.

<i>June 30, 2025</i>	City of Santa Fe	Santa Fe County	Las Campanas Club	Las Campanas CoOp	Total
Partners' accounts receivable	\$ 1,652,446	\$ 1,032,991	\$ 122,709	\$ 59,005	\$ 2,867,151
Less partners' credit balance	197,767	-	-	-	197,767
<b>Total partner balance</b>	<b>\$ 1,454,679</b>	<b>\$ 1,032,991</b>	<b>\$ 122,709</b>	<b>\$ 59,005</b>	<b>\$ 2,669,384</b>

No allowance for doubtful accounts has been recorded as BDD expects to fully collect all outstanding receivables.

**State of New Mexico**  
**Buckman Direct Diversion Project**  
**Notes to Financial Statements**

**Note 6: CAPITAL ASSETS**

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

	Beginning Balance June 30, 2024	Additions	Deletions/ Adjustments	Ending Balance June 30, 2025
<b>Capital assets not being depreciated</b>				
Construction-in-progress	\$ 769,710	\$ 425,239	\$ (833,581)	\$ 361,368
<b>Total non-depreciable capital assets</b>	<b>769,710</b>	<b>425,239</b>	<b>(833,581)</b>	<b>361,368</b>
<b>Capital assets being depreciated</b>				
Buildings and systems	10,354,010	-	(1,616,628)	8,737,382
Equipment and machinery	664,438	853,581	1,616,628	3,134,647
Vehicles	594,029	-	-	594,029
Data processing and software	139,357	13,568	-	152,925
Utility Systems	989,038	-	-	989,038
<b>Total capital assets being depreciated</b>	<b>12,740,872</b>	<b>867,149</b>	<b>-</b>	<b>13,608,021</b>
<b>Less accumulated depreciation</b>				
Buildings and systems	(2,271,722)	(174,748)	-	(2,446,470)
Equipment and machinery	(1,132,811)	(408,269)	-	(1,541,080)
Vehicles	(488,485)	(18,624)	-	(507,109)
Data processing and software	(131,995)	(5,797)	-	(137,792)
Utility Systems	(82,420)	(329,679)	-	(412,099)
<b>Total accumulated depreciation</b>	<b>(4,107,433)</b>	<b>(937,117)</b>	<b>-</b>	<b>(5,044,550)</b>
<b>Total capital assets being depreciated, net</b>	<b>8,633,439</b>	<b>(69,968)</b>	<b>-</b>	<b>8,563,471</b>
<b>Total capital assets</b>	<b>\$ 9,403,149</b>	<b>\$ 355,271</b>	<b>\$ (833,581)</b>	<b>\$ 8,924,839</b>

Depreciation expense for capital assets for the fiscal year ended June 30, 2025 was \$937,117. Depreciation expense is recorded in Buckman Direct Diversion Project operations on the statement of revenues, expenses, and changes in net position.

**State of New Mexico**  
**Buckman Direct Diversion Project**  
**Notes to Financial Statements**

**Note 6: CAPITAL ASSETS (Continued)**

Because of the joint venture agreement between the City of Santa Fe and Santa Fe County, the following amounts are recorded in the City's and County's financial statements and are therefore removed from BDD's financial statements. However, they are assets utilized and purchased solely for BDD.

<i>June 30, 2025</i>	Buildings & Systems	Equipment & Machinery	Total
City of Santa Fe	\$ 115,440,642	\$ 4,842,162	\$ 120,282,804
Santa Fe County	101,372,508	-	101,372,508
Less accumulated depreciation	(60,659,602)	(4,842,162)	(65,501,764)
<b>Total</b>	<b>\$ 156,153,548</b>	<b>\$ -</b>	<b>\$ 156,153,548</b>

**Note 7: LONG-TERM LIABILITIES**

*Compensated Absences*

A summary of compensated absences was as follows at June 30, 2025:

	Beginning Balance June 30, 2024*	Net Increase (Decrease)	Ending Balance June 30, 2025	Due Within One Year
Compensated absences	\$ 170,267	\$ 52,413	\$ 222,680	\$ 46,129
<b>Total compensated absences</b>	<b>\$ 170,267</b>	<b>\$ 52,413</b>	<b>\$ 222,680</b>	<b>\$ 46,129</b>

\*See reclassification described at note 3.

**Note 8: ECONOMIC DEPENDENCE AND RELATED PARTY TRANSACTIONS**

1. BDD is economically dependent on three entities: the City of Santa Fe, Santa Fe County, and Las Campanas Entities (the user partners). These entities account for 87% of its funding for the year ending June 30, 2025.
2. See note 4 for outstanding balances owed from user partners and credit balances outstanding as of June 30, 2025.

The City of Santa Fe acts as fiscal agent for the BDD and receives a fee of 4.5% of the annual operating budget of the project. The City of Santa Fe received fees for services as fiscal agent of \$294,899 and received reimbursement of personnel costs of \$2,500,916 for the year ended June 30, 2025.

**Note 9: RISK MANAGEMENT**

Pursuant to the Joint Powers Agreement Section 23, BDD is required to carry insurance coverage separate and apart from the partners' respective insurance policies. BDD carries public liability insurance coverage (including directors and officers coverage) consistent with its responsibilities as a public entity under the New Mexico Tort Claims Act, NMSA 1978, Section 41-1-1 with combined single limits of \$1,000,000. BDD carries a public liability commercial insurance policy with occurrence-based coverage against losses arising out of all operations conducted on the premises, contractual liability coverage, crime, automobile, directors' and officers' coverage, and other appropriate coverages. BDD carries commercial property insurance on all of BDD's buildings, structures, equipment, improvements, and vehicles to protect itself from losses arising from fire, earthquake, and flood disasters. BDD also has commercial insurance for potential losses arising from excess liability and failures to supply materials needed to operate BDD facilities.

BDD staff, as employees of the City, participate in the Santa Fe Health Fund and the Workers' Compensation Fund, which are self-insured programs administered by the fiscal agent. BDD makes pro rata payments to the City based on actuarial estimates of the amounts needed to pay prior year and current year claims and to establish a reserve for catastrophic losses. Health claims are handled by a professional third-party claims administrator. The fiscal agent maintains specific stop loss coverage for individual claims in excess of \$200,000 with a \$1,000,000 statutory limit. Workers' compensation claims are handled by a professional, third-party claims administrator. BDD maintains specific stop loss coverage for individual claims in excess of \$500,000 with a \$1,000,000 statutory limit. There was no reduction in amount of coverage for 2025.

**Note 10: PROJECT MANAGER/FISCAL AGENT AGREEMENT**

In November 2007, the BDD board entered into an agreement with the City to act in the capacity as project manager and fiscal agent for the board. Duties of the City include:

***Project Manager***

- Carry out the directives and policies of the BDD board; make recommendations to the BDD board related to the Project; provide support staff for BDD board meetings; contract with independent legal counsel selected by the BDD board; contract with specialized legal counsel as needed to support design, construction, operation, and maintenance of the Project; and, as directed by the BDD board, implement the Project during design and construction and, following completion of construction, manage, operate, and maintain the Project;
- Seek and apply for funding (except for funding to be provided by the City and the County pursuant to the Project agreements) in the form of grants, loans or loan guarantees, or their funding sources as may be deemed appropriate by the BDD board, for the Project as directed by the BDD board and manage any such grants, loans or loan guarantees;

**State of New Mexico**  
**Buckman Direct Diversion Project**  
**Notes to Financial Statements**

**Note 10: PROJECT MANAGER/FISCAL AGENT AGREEMENT (Continued)**

***Project Manager (continued)***

- Administer all amounts loaned, granted, or contributed by the City, the County, or Las Campanas Entities in connection with the Project, and respond to related audits as may be necessary;
- Prepare and submit to the BDD board, the City, the County, and Las Campanas Entities no later than December 15 of each fiscal year, an annual operating budget, which shall include annual and five-year projected operations, maintenance, replacement and reserve (OMR&R) costs, including a five-year schedule with the Project Manager's proposed facilities and equipment, and major maintenance replacement costs, proposed allocation of costs among the City, the County, and Las Campanas Entities as provided in the Facility Operations and Procedures Agreement (FOPA), a facilities and equipment major repair and replacement fund, and an emergency reserve fund;
- Develop and implement, prior to initial operation, a cost accounting system to apportion the total fixed and variable cost of OMR&R to the City, the County, and Las Campanas Entities in accordance with the cost sharing provisions of the FOPA;
- Develop a document retention and protection policy for adoption by the BDD board;
- Act as fiscal agent for the Project;
- Provide all necessary staff, materials, and supplies necessary to operate and maintain the Project consistent with BDD board funding;
- Recruit, hire and train staff for the Project according to the BDD board's approved staffing plan as it may be amended from time to time and arrange for state drinking water certification for such staff in advance of operation of the Project, so that certified staff is available to operate the Project when the Project becomes operational, and as set forth in each proposed budget the costs of the staff apportioned according to the respective benefit to the City and the Project.
- Once an annual operating budget is approved by the BDD board, implement the budget, adhere strictly to the budget, and make recommendations for necessary budget adjustments throughout the fiscal year, and contract for an annual independent audit, consistent with GMP and GASB and with the New Mexico Audit Act, NMSA 1978, Sections 12-6-1-, et seq., and 2.2.2. NMAC, et seq., as amended, and report the results of the audit to the BDD board;
- Prepare and submit to the BDD board for approval all documentation to be used for procurement in the Project including, but not limited to, documents related to design, engineering, construction, operation, and maintenance of the Project, including, without limitation, requests for proposals, requests for qualifications, and contracts in amounts greater than \$60,000;

**State of New Mexico**  
**Buckman Direct Diversion Project**  
**Notes to Financial Statements**

**Note 10: PROJECT MANAGER/FISCAL AGENT AGREEMENT (Continued)**

***Project Manager (continued)***

- Develop all procurement documents in accordance with the City's purchasing manual and present same to the BDD board;
- Consult with staff of the City, the County, and Las Campanas Entities regarding the planning and design and OMR&R of the Project;
- In consultation with the BDD board, apply for, manage, and maintain, including the preparation and submittal of all required compliance reports, all necessary permits for the operation of the Project, including, without limitation, those permits, easements, and rights-of-way held in the name of the BDD board, and those permits required to be obtained by the BDD board pursuant to Section 6 of the FOPA;
- Maintain communication with the BDD board, the City, the County, and Las Campanas Entities, primarily via monthly BDD board meetings, and keep these entities informed of important matters as may be necessary in the interim between monthly BOD board meetings;
- As directed by the BDD board, act as liaison for the BDD board and represent the BDD board in Project matters involving tribal governments, state and federal government agencies, and nongovernmental organizations;
- Perform other duties as assigned by the BDD board consistent with funding and the Project agreements;
- Maintain segregated books and records consistent with U.S. GAAP to account for all separate funding sources, including, without limitation, funds provided by the City, the County, or Las Campanas Entities in support of construction or subsequent OMR&R of the Project and funds secured by the board pursuant to grants or loans from funding agencies;
- After the end of each fiscal year, provide copies of financial statements to the City, the County, and Las Campanas Entities, showing the assets, liabilities, revenues, expenses, equity balances, and budget comparisons for the Project fund on an annual basis for the prior fiscal year in accordance with GMP and GASB, complete the MDA for the annual financial report, and provide upon request, a monthly general ledger report; and
- Procure, contract, and pay for as budgeted an annual independent audit, consistent with U.S. GAAP and GASB and with the New Mexico Audit Act, NMSA 1978, Sections 12-6-1-, et seq., and NMAC, et seq., as amended, and report the results of the audit to the BDD board.

**State of New Mexico**  
**Buckman Direct Diversion Project**  
**Notes to Financial Statements**

**Note 11: FEDERAL AND STATE GRANTS**

In the normal course, of operations, BDD receives grant funds from federal and state agencies. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Management believes any liability resulting from these audits would be immaterial.



## SUPPLEMENTARY INFORMATION



**State of New Mexico**  
**Buckman Direct Diversion Project**

**Budgetary Comparison Schedule – Schedule of Revenues, Expenses, and  
Change in Net Position Budget (Non-GAAP Budgetary Basis) and Actual**

<i>For the year ended June 30, 2025</i>	Budgeted Amounts		Actual (Non-GAAP)	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Operating Revenues</b>				
City of Santa Fe	\$ 7,114,369	\$ 7,114,369	\$ 6,412,734	\$ (701,635)
Santa Fe County	2,706,738	2,706,738	2,127,264	(579,474)
Las Campanas Club	298,872	298,872	178,190	(120,682)
Las Campanas CoOp	111,387	111,387	104,279	(7,108)
PNM solar rebates	120,000	120,000	164,344	44,344
Federal energy credit	-	-	1,106,613	1,106,613
Federal grants	96,000	96,000	88,359	(7,641)
<b>Total operating revenues</b>	<b>10,447,366</b>	<b>10,447,366</b>	<b>10,181,783</b>	<b>(265,583)</b>
<b>Operating Expenses</b>				
Personnel services	2,015,204	2,015,204	1,889,080	126,124
Overtime and Shift Differential	230,000	230,000	-	230,000
Benefits	1,254,511	1,254,511	844,380	410,131
Electricity	1,461,631	1,461,631	1,407,359	54,272
Chemicals	423,500	423,500	736,852	(313,352)
Solids	83,219	83,219	15,228	67,991
Materials and supplies	3,669,208	3,669,208	1,785,154	1,884,054
Other operating costs	949,405	949,405	701,060	248,345
Conservation fees - county only	13,500	13,500	13,813	(313)
Fiscal agent fee	347,188	347,188	347,188	-
<b>Total operating expenses</b>	<b>10,447,366</b>	<b>10,447,366</b>	<b>7,740,114</b>	<b>2,707,252</b>
<b>Nonoperating Revenue (Expenses)</b>				
Investment income	-	-	3,956,009	3,956,009
<b>Total nonoperating revenue (expenses)</b>	<b>-</b>	<b>-</b>	<b>3,956,009</b>	<b>3,956,009</b>
<b>Excess of revenues over expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>6,397,678</b>	<b>\$ 983,174</b>
<b>Adjustments for U.S. GAAP basis (nonbudgeted items)</b>			<b>937,117</b>	
<b>Change in net position</b>			<b>5,460,561</b>	
Net position, beginning of year as previously reported			95,206,737	
Error correction (note 3)			(275,519)	
Net position, beginning of year, as corrected			94,931,218	
Net position, end of year			<b>\$ 100,391,779</b>	

**State of New Mexico**  
**Buckman Direct Diversion Project**  
**Schedule of Changes in Restricted Net Position by Partner**

<i>June 30, 2025</i>	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025
<b>Emergency Reserves</b>				
Restricted net position				
City of Santa Fe	\$ 1,415,773	\$ 56,911	\$ (142)	\$ 1,472,542
Santa Fe County	505,154	20,307	(51)	525,410
Las Campanas Entities	246,992	9,257	(25)	256,224
<hr/>				
Total restricted net position	\$ 2,167,919	\$ 86,475	\$ (218)	\$ 2,254,176
<hr/>				
<b>Major Repair and Replacement Reserves</b>				
Restricted net position				
City of Santa Fe	\$ 2,493,658	\$ 48,793	\$ (172,604)	\$ 2,369,847
Santa Fe County	268,405	463,491	(60,626)	671,270
Las Campanas Entities	38,255	90,244	(9,566)	118,933
Settlements	74,683,519	3,691,112	(180,696)	78,193,935
<hr/>				
Total restricted net position	\$ 77,483,837	\$ 4,293,640	\$ (423,492)	\$ 81,353,985
<hr/>				
<b>Combined</b>				
Restricted net position - combined				
City of Santa Fe	\$ 3,909,431	\$ 105,704	\$ (172,746)	\$ 3,842,389
Santa Fe County	773,559	483,798	(60,677)	1,196,680
Las Campanas Entities	285,247	99,501	(9,591)	375,157
Settlements	74,683,519	3,691,112	(180,696)	78,193,935
<hr/>				
Total restricted net position	\$ 79,651,756	\$ 4,380,115	\$ (423,710)	\$ 83,608,161
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# REPORTS ON INTERNAL CONTROL AND COMPLIANCE MATTERS





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

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**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  
Board Members  
Buckman Direct Diversion Project  
Santa Fe, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Buckman Direct Diversion Project ("BDD") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the BDD's basic financial statements, and have issued or report thereon dated December 15, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered BDD'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of BDD's internal control. Accordingly, we do not express an opinion on the effectiveness of BDD'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 combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether BDD'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, New Mexico  
December 15, 2025

**State of New Mexico**  
**Buckman Direct Diversion Project**  
**Schedule of Findings and Responses**  
**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 noted |
| c. Noncompliance material to the financial statements noted?                     | No         |

**SECTION II: FINANCIAL STATEMENT FINDINGS**

None noted.

**SECTION III: SECTION 12-6-5 NMSA 1978 FINDINGS**

None noted.

**SECTION IV: PRIOR YEAR AUDIT FINDINGS**

2024-001 (2023-001) – Partner billings and accounts receivable – Resolved

**EXIT CONFERENCE**

An exit conference was held on December 12, 2025 virtually. The following individuals were in attendance.

**Representing Buckman Direct Diversion Project:**

Justin Greene	Chairperson, Santa Fe County Commissioner
Carol Romero-Wirth	Vice Chairperson, Councilor, City of Santa Fe
Nancy Long	General Counsel
Bradley Prada	Facilities Manager
Kurt Traverse	Contractor

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

Eric Spurlin, CPA, CITP	Partner
Elizabeth Aguilar	Senior

**AUDITOR PREPARED FINANCIAL STATEMENTS**

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