

**LEFTHAND WATERSHED OVERSIGHT GROUP**

**FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2018**

**LEFTHAND WATERSHED OVERSIGHT GROUP  
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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Lefthand Watershed Oversight Group  
Longmont, Colorado

We have audited the accompanying financial statements of the Lefthand Watershed Oversight Group (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

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

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

### ***Auditors' Responsibility***

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

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Lefthand Watershed Oversight Group as of December 31, 2018, and changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of a Matter – Change in Accounting Principle**

As discussed in Note 1 to the financial statements, management adopted Accounting Standards Update (ASU) No. 206-14, *Presentation of Financial Statements of Not-For-Profit Entities*. Our opinion is not modified with respect to that matter.

**Other Matters**

*Other Information – Schedule of Expenditures of Federal Awards*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The 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*, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2019, on our consideration of the Lefthand Watershed Oversight Group'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 Lefthand Watershed Oversight Group'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 Lefthand Watershed Oversight Group's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Broomfield, Colorado  
April 25, 2019

**LEFTHAND WATERSHED OVERSIGHT GROUP  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2018**

	<b>2018</b>
<b>ASSETS</b>	
<b>ASSETS</b>	
Cash	\$ 104,663
Accounts Receivable	237,497
	342,160
Total Assets	\$ 342,160
<b>LIABILITIES AND NET ASSETS</b>	
<b>LIABILITIES</b>	
Accounts Payable	\$ 185,995
Accrued Liabilities	7,600
Deferred Revenue	1,945
	195,540
Total Liabilities - All Current	195,540
<b>NET ASSETS</b>	
Without Donor Restrictions	107,506
With Donor Restrictions	39,114
Total Net Assets	146,620
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ 342,160

See accompanying Notes to Financial Statements.

**LEFTHAND WATERSHED OVERSIGHT GROUP**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2018**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUES</b>			
Federal and State Grants	\$ -	\$ 985,678	\$ 985,678
Local Grants	66,373	42,500	108,873
Donations	77,557	-	77,557
Net Revenue	<u>143,930</u>	<u>1,028,178</u>	<u>1,172,108</u>
Net Assets Released from Restrictions	989,064	(989,064)	-
Total Revenues	<u>1,132,994</u>	<u>39,114</u>	<u>1,172,108</u>
<b>EXPENSES</b>			
Federal Grant Expenses	985,681	-	985,681
Local Grant Expenses	90,434	-	90,434
Donations	5,562	-	5,562
Total Expenses	<u>1,081,677</u>	<u>-</u>	<u>1,081,677</u>
<b>INCREASE IN NET ASSETS</b>	51,317	39,114	90,431
Net Assets - Beginning of Year	<u>56,189</u>	<u>-</u>	<u>56,189</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 107,506</u>	<u>\$ 39,114</u>	<u>\$ 146,620</u>

See accompanying Notes to Financial Statements.

**LEFTHAND WATERSHED OVERSIGHT GROUP  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2018**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in Net Assets	\$ 90,431
Reconciliation of Change in Net Assets to Net Cash Provided by Operating Activities	
Decrease in Current Assets:	
Accounts Receivables	967,146
Increase (Decrease) in Current Liabilities:	
Accounts Payable	(1,018,548)
Accrued Liabilities	(1,746)
Deferred Revenue	1,945
Net Cash Provided by Operating Activities	<u>39,228</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	39,228
Cash and Cash Equivalents - Beginning	<u>65,435</u>
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<u><u>\$ 104,663</u></u>

See accompanying Notes to Financial Statements.

**LEFTHAND WATERSHED OVERSIGHT GROUP  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Organization**

The Lefthand Watershed Oversight Group (LWOG) is a non-profit, tax-exempt corporation formed on May 7, 2004, in the State of Colorado. LWOG was organized to assess and protect the quality of water in the Lefthand Creek watershed, to serve as a hub of communication about watershed issues, to foster collaboration in promoting education about watershed issues, and to facilitate the development of watershed health assessments, prioritization of protection measures, and development of remediation plans and practices that protect the Lefthand Creek watershed.

LWOG is an exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1954, as amended; and accordingly, a provision for income taxes has not been made. The Internal Revenue Service has determined LWOG is not a private foundation.

**Basis of Accounting**

LWOG maintains its accounting records on the full accrual basis of accounting in accordance with the accounting principles generally accepted in the United States.

**Net Assets**

All financial transactions have been recorded and reported as net assets without donor restrictions and net assets with donor restrictions.

*Net Assets Without Donor Restrictions* – Net assets that are not subject to donor-imposed restrictions consist of assets and liabilities related to LWOG’s regular activities, which are available at the discretion of the Board. Operating fund net assets are approved and controlled by the Board through an annual budget.

*Net Assets With Donor Restrictions* – Net assets subject to donor-imposed restrictions represent those amounts, which are donor restricted for specific purposes. Some donor imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenues are reported as increases in net assets without donor restrictions, unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities, are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation. Expirations of time restrictions on net assets, (i.e. the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.



**LEFTHAND WATERSHED OVERSIGHT GROUP**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

Cash only consists of cash held in checking and savings accounts at one financial institution. LWOG's cash balance did not exceed the federally insured limit during the fiscal year.

**Revenue Recognition**

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

**Functional Allocation of Expense**

In the footnotes to the financial statements, salaries and related expenses are allocated based on job descriptions and the best estimates of management. Expenses, other than salaries and related expenses, which are not directly identifiable by program or supporting service, are allocated based on the best estimates of management (Note 3).

**Income Tax Status**

LWOG is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3).

LWOG has adopted FASB ASC 740-10, *Accounting for Uncertainty in Income Tax*. That standard prescribes a minimum recognition threshold and measurement methodology that a tax position taken or expected to be taken is required to meet before being recognized in financial statement. It also provides guidance for de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. Management has analyzed the tax positions taken by LWOG and has concluded that as of December 31, 2018, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

**Subsequent Events**

In preparing this financial statement, LWOG has evaluated events and transactions for potential recognition or disclosure through April 25, 2019, the date the financial statement was available to be issued. No subsequent events were identified.

**LEFTHAND WATERSHED OVERSIGHT GROUP  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Receivables and Credit Policies**

Accounts receivable consists of federal grant balances for expenses incurred, but not received as of December 31, 2018. No allowance has been made as all receivable balances are expected to be received from the related federal grant agency.

**Recently Issued and Adopted Accounting Pronouncements**

The Lefthand Watershed Oversight Group adopted the accounting guidance in Financial Accounting Standards Board (FASB) Accounting Standard Update (ASU) 2016-04, Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities, which changes presentation and disclosure requirements for non-profit entities to provide more relevant information about their resources (and the changes in those resources) to donors, grantors, creditors and other users. The effect of adopting the new standard resulted in a reclassification of Unrestricted Net Assets to Net Assets without Donor Restrictions and Temporarily and Permanently Restricted Net Assets combined to Net Assets with Donor Restrictions.

**NOTE 2 LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and Cash Equivalents	\$ 65,549
Accounts Receivable	237,497
Total	<u>\$ 303,046</u>

**LEFTHAND WATERSHED OVERSIGHT GROUP  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018**

**NOTE 3 FUNCTIONAL CLASSIFICATION OF EXPENSES**

Functional classification of expenses for the year ended December 31, 2018, consists of the following:

Professional Services	\$ 777,888
Salaries and Wages	202,309
Benefits	13,195
Audit	18,075
Bookkeeper	13,580
Office & Administration	17,783
Insurance	1,857
Postage	429
Printing	3,832
Training	475
Volunteer Expenses	146
Rent	32,108
Total	<u><u>\$ 1,081,677</u></u>

**NOTE 4 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are restricted for the following purposes:

Subject to Expenditure for Specified Purpose:	
Community Science Program	<u>\$ 39,114</u>
Total	<u><u>\$ 39,114</u></u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose for the year ended December 31, 2018:

Satisfaction of Purpose Restrictions:	
General Use - Federal Grants	\$ 985,678
Community Science Program	3,386
	<u><u>\$ 989,064</u></u>



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

Board of Directors  
Lefthand Watershed Oversight Group  
Longmont, Colorado

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 Lefthand Watershed Oversight Group, which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 25, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Lefthand Watershed Oversight Group's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Lefthand Watershed Oversight Group's internal control. Accordingly, we do not express an opinion on the effectiveness of the Lefthand Watershed Oversight Group'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Lefthand Watershed Oversight Group's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Broomfield, Colorado  
April 25, 2019



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors  
Lefthand Watershed Oversight Group  
Longmont, Colorado

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

We have audited the Lefthand Watershed Oversight Group's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Lefthand Watershed Oversight Group's major federal program for the year ended December 31, 2018. The Lefthand Watershed Oversight Group's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for the Lefthand Watershed Oversight Group's major federal program based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Lefthand Watershed Oversight Group's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance of the major federal program. However, our audit does not provide a legal determination of the Lefthand Watershed Oversight Group's compliance.

***Opinion on the Major Federal Program***

In our opinion, the Lefthand Watershed Oversight Group 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 December 31, 2018.

**Report on Internal Control Over Compliance**

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



**CliftonLarsonAllen LLP**

Broomfield, Colorado  
April 25, 2019

**LEFTHAND WATERSHED OVERSIGHT GROUP  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
DECEMBER 31, 2018**

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>Department of Housing and Urban Development</b>				
Passed through the Colorado Department of Local Affairs				
CDBG-DR Legacy Project	14.269	CDBG-DR WI 18-101	\$ -	\$ 312,905
CDBG-DR Hinman Ditch	14.269	CDBG-DR WI 18-104	-	4,690
CDBG-DR Capacity Building	14.269	CDBG-DR WC 18-005	-	26,765
CDBG-DR Stewardship Project	14.269	CDBG DR P 16-015	-	52,360
CDBG-DR Three Reaches Project	14.269	CDBG DR WI 17-106	-	119,680
CDBG-DR Capacity	14.269	CDBG DR WC 15-007	-	109,806
CDBG-DR 63rd Street Project	14.269	CDBG DR WI 17-107	-	359,475
Total Community Development Block Grant Disaster Recovery			-	985,681
Total Department of Housing and Urban Development			-	985,681
Total Expenditures of Federal Awards			\$ -	\$ 985,681



**LEFTHAND WATERSHED OVERSIGHT GROUP**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED DECEMBER 31, 2018**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Lefthand Watershed Oversight Group under programs of the federal government for the year ended December 31, 2018. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of the Lefthand Watershed Oversight Group, it is not intended to and does not present the financial position or changes in net position of the Lefthand Watershed Oversight Group.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Revenue from federal awards is recognized when the Lefthand Watershed Oversight Group has done everything necessary to establish its right to revenue. Expenditures of federal awards are recognized in the accounting period when the liability is incurred. The Lefthand Watershed Oversight Group has elected to not use the 10-percent de minimis indirect cost rate.

**LEFTHAND WATERSHED OVERSIGHT GROUP  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2018**

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**Section I – Summary of Auditors’ Results**

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**Financial Statements**

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? \_\_\_\_\_ yes        x   no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes        x   none reported
3. Noncompliance material to financial statements noted? \_\_\_\_\_ yes        x   no

**Federal Awards**

1. Internal control over major federal programs:
- Material weakness(es) identified? \_\_\_\_\_ yes        x   no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes        x   none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ yes        x   no

**Identification of Major Federal Programs**

**CFDA Number(s)**

14.269

**Name of Federal Program or Cluster**

Community Development Block Grant Disaster Recovery

Dollar threshold used to distinguish between Type A and Type B programs:

\$   750,000  

Auditee qualified as low-risk auditee?

\_\_\_\_\_ yes        x   no

LEFTHAND WATERSHED OVERSIGHT GROUP  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2018

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***Section II – Financial Statement Findings***

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Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

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***Section III – Findings and Questioned Costs – Major Federal Programs***

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Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a)