

STATE OF NEW MEXICO
POJOAQUE VALLEY IRRIGATION DISTRICT

TIER 4 AGREED UPON PROCEDURES

JUNE 30, 2014

FIDEL A. BERNAL, PC
CERTIFIED PUBLIC ACCOUNTANT
ALBUQUERQUE, NEW MEXICO

State of New Mexico
Pojoaque Valley Irrigation District
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**State of New Mexico
Pojoaque Valley Irrigation District
June 30, 2014**

Board of Directors

Chairman

J. David Ortiz

Vice President

Flavio Gurule

Secretary-Treasurer

Horace Roybal

**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES**

Mr. Hector H Balderas
New Mexico State Auditor
and
Members of the Board
Pojoaque Valley Irrigation District
Santa Fe, NM

We have performed the procedures enumerated below, which were agreed to by Pojoaque Valley Irrigation District (PVID), for the year ended June 30, 2014, solely to assist you with respect to the District's compliance for a Tier 4 engagement of Tier 4 of the Audit Act (Section 12-6-1 NMSA 1978 et seq.). The procedures were agreed to by the District through the New Mexico Office of the State Auditor. The District's management is responsible for the District's accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

Our procedures and Results are as follows:

1. Cash**Procedures:**

- a) Determine whether bank reconciliations are being performed in a timely manner and whether all bank and investment statements for the fiscal year are complete and on-hand.
- b) Perform a random test of bank reconciliations for accuracy. Also, trace ending balances to the general ledger, supporting documentation and the financial reports submitted to DFA-Local Government Division (DFA-LGD).
- c) Determine whether the local public body's financial institutions have provided it with the 50% pledged collateral on all uninsured deposits as required by Section 6-10-17 NMSA 1978, NM Public Money Act, if applicable.

Results:

- a) Based on the documents supplied the operating account reconciliations were done in a timely manner and were complete and on-hand. The reconciliation for the savings account was not completed.
- b) Random test of operating account bank reconciliations revealed no exceptions. Traced all ending balances to the general ledger, supporting documents and reports submitted to DFA-LGD.
- c) The District currently has two bank accounts. The total amount in these accounts is \$30,668. Under the FDIC coverage limit of \$250,000.

2. Capital Assets:

Procedures:

Verify that the local public body is performing a yearly inventory as required by Section 12-6-10 NMSA 1978.

Results:

Capital Assets of the District include data processing equipment, furniture and fixtures, and equipment. The District does not have any infrastructure. The District performs a yearly inventory and has a listing of their capital assets.

3. Revenue:

Identify the nature and amount of revenue from sources by reviewing the budget, agreements, rate schedules, and underlying documentation.

Procedures:

- a) Perform an analytical review; test actual revenue compared to budgeted revenue for the year for each type of revenue.
Select a sample of revenues based on auditor judgment and test using the following attributes:
 - b) Amount recorded in the general ledger agrees to the supporting documentation and the bank statement.
 - c) Proper recording of classification, amount, and period per review of supporting documentation and the general ledger. Perform this revenue work on the same accounting basis that the local public body keeps its accounting records on, cash basis, modified accrual basis, or accrual basis.

Results:

- a) Analytical review and test of the actual revenue compared to the budget for the year for each type of revenue, revealed the District received less revenue than they budgeted for by \$733.
- b) Tested \$6,184 of the total revenue of \$142,010. All the deposits tested, agreed to the supporting documentation, bank statements and the general ledger.
- c) All deposits were properly recorded in the general ledger.

4. Expenditures

Select a sample of cash disbursements based on auditor judgment and test using the following attributes:

Procedures:

- a) Determine that amount recorded as disbursed agrees to adequate supporting documentation. Verify that amount, payee, date and description agree to the vendor's invoice, purchase order, contract and canceled check, as appropriate.

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES (continued)

- b) Determine that disbursements were properly authorized and approved in compliance with the budget, legal requirements and established policies and procedures.
- c) Determine that the bid process (or request for proposal process if applicable), purchase orders, contracts and agreements were processed in accordance with the New Mexico Procurement Code (Section 13-1-28 through 13-1-199 NMSA 1978) and State Purchasing Regulations (1.4.1 NMAC) and Regulations Governing the Per Diem and Mileage Act (2.42.2 NMAC).

Results:

- a) There were a total of 242 disbursements for the year for a total of \$128,813. We sampled 52 items that totaled \$47,971. All disbursements sampled agreed to supporting documentations. All agreed to amount, payee, date, and description to the vendor's invoice, purchase order, contract and cancelled check, as appropriate.
- b) The disbursements were properly authorized and in compliance with the budget, legal requirements, and established policies and procedures.
- c) There was no need to go out to bid all purchases were under the threshold.

5. Journal Entries

If non-routine journal entries, such as adjustments or reclassifications, are posted to the general ledger, test significant items for the following attributes:

Procedures:

- a) Journal entries appear reasonable and have supporting documentation.
- b) The local public body has procedures that require journal entries to be reviewed and there is evidence the reviews are being performed.

Results:

- a) In the current fiscal year the District utilized journal entries to record payroll taxes and other routine items.
- b) The District's local body does not have procedures in place to review journal entries.

See Finding 10-3 Journal Entries

6. Budget

Obtain the original fiscal year budget and all budget amendments made throughout the fiscal year and perform the following:

Procedures:

- a) Verify, through a review of the minutes and correspondence, that the original budget and subsequent budget adjustments were approved by the local public body's governing body and DFA-LGD.
- b) Determine if the total actual expenditures exceeded the final budget at the legal level of budgetary control; if so, report a compliance finding.
- c) From the original and final approved budgets and general ledger, prepare a schedule of revenues and expenditures – budget and actual on the budgetary basis used by the local public body (cash, accrual or modified accrual basis) for each individual fund.

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES (continued)

Results:

- a) Verified through the minutes and correspondence that the original budget was approved by the District's governing body and DFA-LGD.
- b) Total actual expenditures exceed the final budget by \$4,070 at the total fund level, the legal level of budgetary control.
- c) A schedule of revenues and expenditures to budget and actual was prepared from the DFA- LGD approved budget and the Districts records on the cash budgetary basis, the basis used by the District revealed no exceptions.

See Finding 14-1 Budget Control of Expenditures

**Other
Procedures**

If information comes to the IPA's attention (regardless of materiality) indicating any fraud, illegal acts, noncompliance, or any internal control deficiencies, disclose in the report as required by Section, 12-6-6 NMSA 1978. The findings must include the required content per Section 2.2.2.10 (I) (3) (C) NMAC.

Findings

No exceptions were found as a result of applying the procedures described above (regardless of materiality) indicating any fraud or illegal acts.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion, on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the State of New Mexico, Pojoaque Valley Irrigation District's Management, Governing Board, and the New Mexico State Auditor's Office, the Department of Finance and Administration-Local Government Division, and the New Mexico Legislature and is not intended to be and should not be used by anyone other than those specified parties.



Albuquerque NM
November 26, 2014

State of New Mexico
Pojoaque Valley Irrigation District
Proprietary Fund
Schedule of Revenues, Expenses Budget and Actual (non-GAAP Budgetary Basis)
For the year ended June 30, 2014

	Original Approved Budget	Final Approved Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Assessments	\$ 139,043	\$ 139,043	\$ 137,824	\$ (1,219)
Dam Repayment	3,700	3,700	4,186	486
Miscellaneous Revenue	-	-	-	-
Total revenues	<u>142,743</u>	<u>142,743</u>	<u>142,010</u>	<u>(733)</u>
Expenses:				
Salaries	51,900	51,900	51,900	-
Salaries dam tender	9,500	9,500	8,576	924
PERA	4,748	4,748	5,175	(427)
Payroll Taxes	5,525	5,525	5,147	378
Election	500	500	446	54
Office Supplies	1,100	1,100	976	124
Office Help	200	200	180	20
Postage	750	750	607	143
Utilities	4,000	4,000	3,956	44
Janitorial	500	500	586	(86)
Building Maintenance	500	500	181	319
O & M Nambe Dam	13,167	13,167	17,514	(4,347)
O & M SJC	15,595	15,595	18,212	(2,617)
Office Machine Expenses	1,000	1,000	821	179
Audit	5,350	5,350	5,350	-
Utilities Nambe Dam	1,600	1,600	1,400	200
Mileage	4,100	4,100	5,048	(948)
Dam Repayment	3,700	3,700	3,700	-
Meeting	900	900	710	190
Nambe Dam Supplies and Repair	500	500	100	400
Office Equipment	500	500	-	500
Training	500	500	-	500
Dam tender help	400	400	20	380
Total operating expenses	<u>\$ 126,535</u>	<u>\$ 126,535</u>	<u>130,605</u>	<u>(4,070)</u>
Excess revenues (loss) over expenditures			<u>\$ 11,405</u>	<u>\$ (4,803)</u>

POJOAQUE VALLEY IRRIGATION DISTRICT
 9 Cities of Gold Rd.
 SANTA FE, NEW MEXICO 87506

July 17, 2014

Larry Marshall
 Budget and Finance Analyst
 Local Government Division
 Dept. of Finance & Administration
 Bataan Memorial Bldg., Suite 201L
 Santa Fe, NM 87501

Dear Mr. Montoya:

The following is the Quarterly Financial Report for the period ending ending June 30, 2014

<u>RESOURCES</u>	7/1/2013	6/30/2014	
	<u>APPROVED</u> <u>BUDGET</u>	<u>RECEIVED</u>	<u>BALANCE</u>
Cash Balance	\$ 2,095.60	\$ 2,096.00	\$ 13,500.30
Accts Receivable	\$ 1,500.00		\$ -
Regular Assessments	\$ 65,757.92	\$ 64,542.00	
BIA Assessments	\$ 33,773.83	\$ 33,771.00	\$ 33,773.83
Dam Repayment	\$ 3,700.00	\$ 4,186.00	\$ -
2011-12 BIA Assessments	\$ 39,511.00	\$ 39,511.00	\$ -
TOTAL RESOURCES	\$ 146,338.00	\$ 144,106.00	

<u>Budget Category</u>	<u>APPROVED</u> <u>BUDGET</u>	<u>EXPENDITURES</u> <u>TO DATE</u>	<u>VARIANCE</u>
Salaries	\$ 51,900.00	\$ 51,900.00	\$ -
Salaries (Dam Tender)	\$ 9,500.00	\$ 8,576.00	\$ 924.00
PERA	\$ 4,748.00	\$ 5,175.00	\$ (427.00)
Payroll Taxes	\$ 5,525.00	\$ 5,147.00	\$ 378.00
Election	\$ 500.00	\$ 446.00	\$ 54.00
Office Supplies	\$ 1,100.00	\$ 976.00	\$ 124.00
Office Help	\$ 200.00	\$ 180.00	\$ 20.00
Postage	\$ 750.00	\$ 607.00	\$ 143.00
 Sub-total	 \$ 74,223.00	 \$ 73,007.00	 \$ 1,216.00

July 17, 2014

POJOAQUE VALLEY IRRIGATION DISTRICT
 QUARTERLY FINANCIAL REPORT (CONTINUED)
 PAGE 2

<u>BUDGET CATEGORY</u>	<u>APPROVED BUDGET</u>	<u>EXPENDITURES TO DATE</u>	<u>VARIANCE</u>
Utilities	\$ 4,000.00	\$ 3,956.00	\$ 44.00
Janitorial	\$ 500.00	\$ 586.00	\$ (86.00)
Building Maintenance	\$ 500.00	\$ 181.00	\$ 319.00
Bureau of Reclamation			\$ -
O & M SJC	\$ 15,595.00	\$ 18,212.00	\$ (2,617.00)
Bureau of Reclamation			\$ -
O & M Nambe Dam	\$ 13,167.00	\$ 17,514.00	\$ (4,347.00)
Office Machine Expense	\$ 1,000.00	\$ 821.00	\$ 179.00
Audit	\$ 5,350.00	\$ 5,350.00	\$ -
Utilities - Nambe Dam	\$ 1,600.00	\$ 1,400.00	\$ 200.00
Mileage (Dam Tender)	\$ 4,100.00	\$ 5,048.00	\$ (948.00)
Dam Repayment	\$ 3,700.00	\$ 3,700.00	\$ -
Nambe Dam Supplies	\$ 500.00	\$ 100.00	\$ 400.00
Meeting Expense	\$ 900.00	\$ 710.00	\$ 190.00
Training Expense	\$ 500.00	\$ -	\$ 500.00
Dam Tender Help	\$ 400.00	\$ 20.00	\$ 380.00
Office Equipment	\$ 500.00	\$ -	\$ 500.00
	\$ -	\$ -	\$ -
TOTAL	\$ 126,535.00	\$ 130,605.00	\$ (4,070.00)

If you have any questions, feel free to call me at 455-2693.

Sincerely,



Patsy Sandoval
 Office Manager
 PVID

* Includes \$2,551 of prior year expense out of current budget

** Includes \$4,348 of prior year expenses paid out of current year budget

POJOAQUE VALLEY IRRIGATION DISTRICT
9 CITIES OF GOLD RD.
SANTA FE, NM 87506

BUDGET REVISION RESOLUTION No. 01

WHEREAS, the Governing Body of the POJOAQUE VALLEY IRRIGATION DISTRICT, in a Regular Board Meeting on JULY 15, 2014, did propose to make certain transfer(s) and

WHEREAS, the Governing Body asks that authorization for the following transfer(s) be granted:

INTER-FUND TRANSFERS

From:	Salaries(Dam Tender)	\$<924>
	Payroll taxes	<378>
	Election	< 54>
	Office Supplies	<124>
	Office Help	< 20>
	Postage	<143>
	Utilities	< 44>
	Building Maintenance	<319>
	Office Machine	<179>
	Utilities - Nambe	<200>
	Nambe Dam Supplies	<400>
	Meeting Expense	<190>
	Training Expense	<500>
	Dam Tender Help	<380>
	Office Equipment	<500>
	<u>TOTAL</u>	< 4,355>
To:	PERA	\$ 427
	Janitorial	86
	Mileage	948
	Bureau of Reclamation	
	O & M SJC	2,617

Bureau of Reclamation	
O & M Nambe Dam	277
<u>TOTAL</u>	4,355

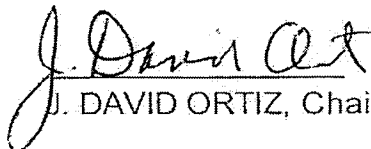
NEW BUDGET INCOME AND EXPENDITURES:

Debt Service:

Revenue:	2011-2012 BIA Assessment	\$4,070
Expense:	Bureau of Reclamation O&M Nambe Dam	4,070

and

WHEREAS, The reason(s) for the above transfer(s) and new Budget is: to balance over expenditures with under expenditures and to increase budget for over expenditures of amounts billed by the Bureau of Reclamation for Operation and Maintenance of Nambe Dam.


 J. DAVID ORTIZ, Chairman

POJOAQUE VALLEY IRRIGATION DISTRICT

7-15-2014
 DATE

**State of New Mexico
Pojoaque Valley Irrigation District
Schedule of Findings and Responses
June 30, 2014**

PRIOR YEAR FINDINGS:

05-1	Surety Bond	Resolved
10-1	SAO Reporting	Resolved
10-2	Capital Assets	Resolved
10-3	Journal Entries	Repeated
12-1	Cash Reconciliations	Resolved
13-1	Miscoding of Grant Revenue	Resolved

CURRENT YEAR FINDINGS:

10-3 Journal Entries (Modified and Repeated)

Condition

During the fiscal year 2014 the District did not performed any non-routine journal entries. However, the District has not put procedures in place for the review of journal entries.

Criteria

Section 12-6-3 B (4) NMSA 1978 and Section 2.2.2.16 NMAC 2014 Agreed Upon Procedures Tier 4 of the Audit Act states that agencies shall have procedures in place to review journal entries, be reasonable and have supporting documentation.

Cause

The District was not aware they had to have procedures in place to review the journal entries.

Effect

The District is not in compliance with state statues and the 2014 Agreed Upon Procedures Tier 4 of the Audit Act.

Recommendation

The District should put procedures in place to review journal entries.

Entity Response

Concur the District will put procedures in place to review journal entries.

State of New Mexico
Pojoaque Valley Irrigation District
Schedule of Findings and Responses-continued
June 30, 2014

14-1 Budget control of expenditures

Condition:

The District overspent the budget in total in the amount totaling \$4,070. (Section 6-6-6; NMSA 1978):

Criteria:

The authority by which the District can spend money is the Commission and DFA approved budget (Section 6-6-6; NMSA 1978).

Effect:

Overspending of the budget is a violation of applicable laws, regulations and policies established by the State, District and DFA, which could impact future budget approvals.

Cause:

The District had extra ordinary dam expenses that were not budgeted for.

Recommendation:

We recommend that The District comply with State Statutes and work within the limits of their budget. If necessary a budget adjustment request should be requested on a timely basis prior to exceeding the budgeted expenditure.

Agency Response:

The District concurs with the Auditor's recommendations and in the future will request a budget adjustment in a timely manner prior to the year end to eliminate this problem.

**State of New Mexico
Pojoaque Valley Irrigation District
Exit Conference
June 30, 2014**

Exit Conference

An exit conference was held on November 26, 2014:

Representing Pojoaque Valley Irrigation District was:

David Ortiz, Chairman

Patsy Sandoval, Office Manager

Representing the firm of Fidel A. Bernal, P.C. was:

Fidel A. Bernal, CPA

Vanessa Bernal