

STATE OF NEW MEXICO

UPPER RIO GRANDE WATERSHED DISTRICT

**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED UPON PROCEDURES REPORT**

YEAR ENDED JUNE 30, 2017

**JOSEPH M. SALAZAR CPA
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STATE OF NEW MEXICO
UPPER RIO GRANDE WATERSHED DISTRICT

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STATE OF NEW MEXICO
UPPER RIO GRANDE WATERSHED DISTRICT

Official Roster

June 30, 2017

Name

Title

Board of Directors

Alfredo Montoya	President
Jose Benito Chavez	Vice president
Michael Sanchez	Secretary
Joseph P. Martinez	Treasurer
Joe A. Romero	Member

Staff

Ruth A. Murphy	Office Manager
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JOSEPH M. SALAZAR
CERTIFIED PUBLIC ACCOUNTANT

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Espanola, New Mexico 87532
Phone/Fax 505-747-2775

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED UPON PROCEDURES

Alfredo Montoya, President
Upper Rio Grande Watershed District
and
Honorable Tim Keller
New Mexico State Auditor

We have performed the procedures enumerated below for the Upper Rio Grande Watershed District (District) for the year ended June 30, 2017. The District was determined to be a Tier 4 entity under the Audit Act Section 12-6-3 (B) NMSA 1978 and Section 2.2.2.16 NMAC. The procedures were agreed to by the District through the Office of the New Mexico State Auditor. The Upper Rio Grande Watershed District management is responsible for the organization's accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the America 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 representations regarding the sufficiency of the procedures described below either for the purposes for which this report has been requested or for any other purpose. Our procedures and findings are as follows:

Procedures

1. Verify the local public body's revenue calculation and tier determination documentation on the form provided at www.osa.org under "Tiered System Reporting Main Page"

Finding

We verified the District's revenue calculation and tier determination. No exceptions noted.

2. 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 reporting submitted to DFA-Local Government Division.
- c) Determine whether the local public body's financial institution have provided it with 50% of pledged collateral on all uninsured deposits as required by Section 6-10-17 NMSA1978, NM Public Money Act, if applicable.

Findings

- a) The District has a checking and savings account. Bank statements and bank reconciliations were available for the checking and savings accounts for the entire year. Determined that bank reconciliations are being performed in a timely manner.
- b) We performed a random test of bank reconciliations for accuracy for the months of June and March and trace to the financial records and financial reports submitted to DFA-Local Government Division. No exceptions noted. The bank statements were available and on-hand for the entire year.
- c) The bank accounts had FDIC coverage of \$250,000. The bank accounts never exceeded the uninsured limits and, therefore, pledged collateral was not required on the bank account at any time during the year.

3. Capital Assets

Procedures

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

Findings

The District did not have any capital assets as of June 30, 2017.

4. Revenues

Procedures

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

- 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 statements.
- c) Proper recording of classification, amounts, 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.

Findings:

- a) The District sources of revenue was property taxes collected for the fiscal year of \$144,740, a Bureau of Reclamation (BOR) grant payment of \$12,162 and interest earned of \$31. We traced all twelve transactions for revenue collected to the county treasurer's notification of taxes distributed and the BOR payment to the District. The District's approved budget for revenues was \$255,500 which was under by \$98,567.
- b) Amounts recorded on the district's financial records agreed to the supporting documentation (deposit slips and bank statements). No exceptions noted.
- c) Amounts were recorded properly on a cash basis to District's general ledger to the property tax revenue account on a monthly basis. Traced all twelve deposits on the District's financial records to the bank statements. No exceptions noted.

5. Expenditures

Procedures

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

- 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.
- 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 order, 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).

Findings

- a) Our test of 30 transactions for approximately 45% of the total expenditure amount for the fiscal year revealed that amounts recorded as disbursed agreed to the supporting documentation. The documentation agrees as to amount, payee, date and description agree to the vendor's invoice.
- b) District disbursements were authorized disbursements for the operations of the District and approved in compliance with budget, legal requirements and established policies and procedures.
- c) District did maintain documentation for all its purchases to demonstrate compliance with the bid process (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 13-1-99 NMSA 1978) and State purchase regulations.

6. Journal Entries

Procedures

If non-routine journal entries, such as adjustment or reclassification, are posted to the general ledger, test significant items for the following attribute:

- 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.

Findings

The District maintained its financial records on a cash basis. The District did not post any journal entries to adjust or reclassify any of its receipt or disbursements.

7. Budget

Procedures

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

- a) Verify, through a review of 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, actual or modified accrual basis) for each individual fund.

Findings

- a) The District prepared and submitted an approved budget by the District for approval to DFA-LGD for the year ended June 30, 2017.
- b) Determined that total actual expenditures did not exceed the final budget at the legal level of budgetary control. No exceptions noted.
- c) A schedule of revenues and expenditures was prepared from the District's records on a cash budgetary basis. This schedule is included herein as Exhibit A. The District submitted quarterly report to DFA-LGD for the fiscal year.

Other

Procedures

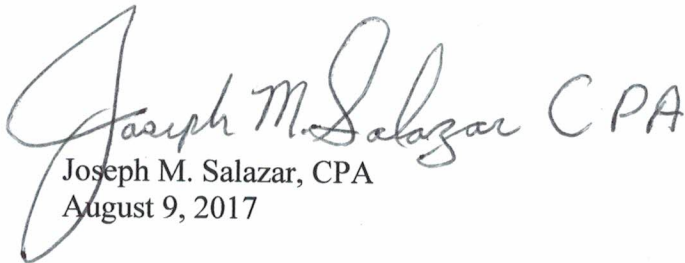
If information comes to the IPA's attention (regardless of materiality) indicating any fraud, illegal acts, noncompliance, or any internal control deficiencies, such instances must be disclosed in the report as required by Section 12-6-6 NMSA 1978. The finding must include the required contents per Section 2.2.2.1-(1) (3) (C) NMAC.

Findings

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

We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion in accordance with AT-C 215.35. 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 Upper Rio Grande Watershed District, the New Mexico State Auditor's Office and the DFA-Local Government Division and is not intended to be and should not be used by anyone other than those specified parties.


Joseph M. Salazar, CPA
August 9, 2017

STATE OF NEW MEXICO Exhibit A
 UPPER RIO GRANDE WATERSHED DISTRICT
 SCHEDULE REVENUE AND EXPENDITURES- BUDGET AND ACTUAL (CASH BASIS)
 FOR YEAR ENDED June 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 255,500	\$ 255,500	\$ 144,740	\$ (110,760)
Federal funds-BOR grant	-	-	12,162	12,162
Bank interest earned	-	-	31	31
Total revenues	<u>\$ 255,500</u>	<u>\$ 255,500</u>	<u>\$ 156,933</u>	<u>\$ (98,567)</u>
EXPENDITURES				
Payroll expenses/Directors	\$ 48,000	\$ 48,000	\$ 42,345	\$ 5,655
Consultants	35,000	35,000	37,839	(2,839)
Dues	1,400	1,400	100	1,300
Financial audit	5,200	5,200	3,728	1,472
Information/education/conservation	4,000	4,000	-	4,000
Insurance	3,000	3,000	1,336	1,664
Per Diem/mileage	3,000	3,000	503	2,497
Operation and maintainance	140,000	140,000	-	140,000
Training	2,800	2,800	200	2,600
Election	3,500	3,500	107	3,393
Miscellaneous	2,000	2,000	-	2,000
Office expense	7,600	7,600	8,727	(1,127)
Total expenditures	<u>255,500</u>	<u>255,500</u>	<u>94,885</u>	<u>160,615</u>
Revenue over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,048</u>	<u>\$ 52,806</u>

DEPARTMENT OF FINANCE AND ADMINISTRATION
 LOCAL GOVERNMENT DIVISION
 BUDGET AND FINANCE BUREAU

SPECIAL DISTRICT FINANCIAL QUARTERLY REPORT FORM

SUBMIT TO LOCAL GOVERNMENT DIVISION NOT LATER THAN ONE MONTH AFTER THE CLOSE OF EACH QUARTER. I HEREBY CERTIFY THAT THE CONTENTS IN THIS REPORT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

Special District: Upper Rio Grande Watershed District
 Quarter Ending: 6/30/2017
 Prepared by: Ruth Murphy

XX _____
 (signature line)

QUARTERLY YEAR TO DATE TRANSACTIONS PER BOOKS													
FUND TITLE	FUND NUMBER	UNAUDITED BEGINNING CASH BALANCE @ JULY 1 (or JAN. 1)	INVESTMENTS	REVENUES TO DATE	NET TRANSFERS	EXPENDITURES TO DATE	BOOK BALANCE END OF PERIOD	ADD: OUTSTANDING CHECKS	LESS: DEPOSITS IN TRANSIT	ADJUSTMENTS	ADJUSTED BALANCE END OF PERIOD	BALANCE PER BANK STATEMENTS	DIFFERENCE
GENERAL FUND - Operating (GF)	101	222,419	-	156,933	-	94,884	284,468	1,049	-	-	285,517	285,518	(0)
INTERGOVERNMENTAL GRANTS	218	-	-	-	-	-	-	-	-	-	-	-	-
OTHER	299	-	-	-	-	-	-	-	-	-	-	-	-
DEBT SERVICE	400	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total		\$ 222,419	\$ -	\$ 156,933	\$ -	\$ 94,884	\$ 284,468	\$ 1,049	\$ -	\$ -	\$ 285,517	\$ 285,518	\$ (0)

REVENUES	CURRENT QUARTER	YEAR TO DATE	APPROVED BUDGET	YTD % OF BUDGET
General Fund 101 (enter items below)				
Mill Levy Distribution	43,585	144,740	255,500	57%
Bank Interest	12	31	-	-
ASAP BOR Grant	12,162	12,162	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
Subtotal General Fund Revenues	\$ 55,756	\$ 156,933	\$ 255,500	61%
Other Financing Sources:				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Transfers	\$ -	\$ -	\$ -	-
TOTAL GENERAL FUND REVENUES	\$ 55,756	\$ 156,933	\$ 255,500	61%
Intergovernmental Grants 218 (enter items below)				
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
Subtotal Intergovernmental Grants Revenues	\$ -	\$ -	\$ -	-
Other Financing Sources:				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Transfers	\$ -	\$ -	\$ -	-
TOTAL INTERGOV. GRANT REVENUES	\$ -	\$ -	\$ -	-
Other 299 (enter items below)				
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
Subtotal Other 299 Revenues	\$ -	\$ -	\$ -	-
Other Financing Sources:				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Transfers	\$ -	\$ -	\$ -	-
TOTAL OTHER REVENUES	\$ -	\$ -	\$ -	-
Debt Service 400				
General Obligation Bonds				
General Obligation - (Property tax)	-	-	-	-
Investment Income	-	-	-	-
Other - Misc	-	-	-	-
Revenue Bonds				
Bond Proceeds	-	-	-	-
Revenue Bonds - GRT	-	-	-	-
Investment Income	-	-	-	-
Revenue Bonds - Other	-	-	-	-
Miscellaneous(NMFA, BOF, etc.)				
	-	-	-	-
	-	-	-	-
	-	-	-	-
Subtotal Debt Service Fund Revenues	\$ -	\$ -	\$ -	-
Other Financing Sources:				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Transfers	\$ -	\$ -	\$ -	-
TOTAL DEBT SERVICE REVENUES	\$ -	\$ -	\$ -	-
GRAND TOTAL REVENUES	\$ 55,756	\$ 156,933	\$ 255,500	61%

EXPENDITURES	CURRENT QUARTER	YEAR TO DATE	APPROVED BUDGET	YTD % OF BUDGET
General Fund 101 (enter items below)				
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
Payroll Expenses/Directors	10,081	42,345	48,000	88%
Staff/Part-Time	-	-	-	-
Consultant	9,826	37,839	35,000	108%
Dues	100	100	1,400	7%
Financial Audit	-	3,728	5,200	72%
Information/Education/Conservation	-	-	4,000	0%
Insurance	-	1,336	3,000	45%
Per Diem/Mileage	233	503	3,000	17%
Operation & Maintanance	-	-	140,000	0%
Training	200	200	2,800	7%
Election	25	107	3,500	3%
Misc	-	-	2,000	0%
Office Expense	2,222	8,727	7,600	115%
	-	-	-	-
	-	-	-	-
TOTAL GENERAL FUND EXPENDITURES	\$ 22,686	\$ 94,884	\$ 255,500	37%
Intergovernmental Grants 218 (enter items below)				
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
TOTAL INTERGOV. GRANT EXPENDITURES	\$ -	\$ -	\$ -	-
Other 299 (enter items below)				
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
TOTAL OTHER EXPENDITURES	\$ -	\$ -	\$ -	-
Debt Service 400				
Bond Payments Principal	-	-	-	-
Bond Payments- Interest	-	-	-	-
Other Debt Service	-	-	-	-
TOTAL DEBT SERVICE EXPENDITURES	\$ -	\$ -	\$ -	-
GRAND TOTAL EXPENDITURES	\$ 22,686	\$ 94,884	\$ 255,500	37%

DIRECTORS:
Alfredo L. Montoya
Michael Sanchez
Joseph Martinez
Joe A. Romero
Nancy O'Bryan

Upper Rio Grande Watershed District
19283 US Hwy 84/285 Suite 112
Hernandez, New Mexico 87537
505 - 367-0070

UPPER RIO GRANDE WATERSHED DISTRICT
RESOLUTION 2017-3
FINANCIAL REPORT
YEAR END JUNE 30, 2017

WHEREAS, THE GOVERNING BODY OF THE UPPER RIO GRANDE WATERSHED DISTRICT, STATE OF NEW MEXICO, HAS REVIEWED THE JUNE 30, 2017 (FOURTH QUARTER) FINANCIAL REPORT (ATTACHED) AND,

WHEREAS, THE OFFICIAL MEETING FOR THE REVIEW OF SAID DOCUMENT WAS DULY ADVERTISED BY POSTING OF MEETING NOTICES IN COMPLIANCE WITH THE STATE OPEN MEETINGS ACT, AND,

WHEREAS, IT IS THE MAJORITY OPINION OF THE BOARD THAT THE PROPOSED REPORT MEETS THE REQUIREMENTS AS DETERMINED FOR THE FISCAL YEAR ENDING JUNE 30, 2017.

NOW, THEREFORE, BE IT HEREBY RESOLVED THAT THE GOVERNING BODY OF THE UPPER RIO GRANDE WATERSHED DISTRICT, STATE OF NEW MEXICO, HEREBY ADOPTS THE FINANCIAL REPORT HEREIN ABOVE DESCRIBED AND RESPECTFULLY REQUESTS APPROVAL FROM THE LOCAL GOVERNMENT DIVISION OF THE DEPARTMENT OF FINANCE AND ADMINISTRATION.


RESOLVED: IN SESSION THIS 18TH DAY OF JULY 2017

GOVERNING BODY OF: UPPER RIO GRANDE WATERSHED DISTRICT, NEW MEXICO


ALFREDO MONTOYA, CHAIRMAN


MICHAEL SANCHEZ, SECRETARY


JOSEPH MARTINEZ, VICE CHAIRMAN


JOE ROMERO, MEMBER


NANCY O'BRYAN, TREASURER

STATE OF NEW MEXICO
UPPER RIO GRANDE WATERSHED DISTRICT
Status of Current and Prior Year Findings
YEAR ENDED JUNE 30, 2017

No Current or Prior Year Findings

STATE OF NEW MEXICO
UPPER RIO GRANDE WATERSHED DISTRICT

Exit Conference

YEAR ENDED JUNE 30, 2017

Exit Conference

The report contents were discussed at an exit conference held August 9, 2017 with the following in attendance:

Upper Rio Grande Watershed District

Alfredo Montoya, President

Joseph P. Martinez, Treasurer

Ruth Murphy, Office Manager

Accounting Firm

Joseph M. Salazar, CPA