

STATE OF NEW MEXICO

UPPER RIO GRANDE WATERSHED DISTRICT

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED UPON PROCEDURES

FOR THE YEAR-ENDED JUNE 30, 2019



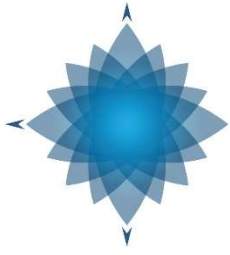
**STATE OF NEW MEXICO
UPPER RIO GRANDE WATERSHED DISTRICT
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FOR THE YEAR ENDED JUNE 30, 2019**

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**STATE OF NEW MEXICO
UPPER RIO GRANDE WATERSHED DISTRICT
OFFICIAL ROSTER
FOR THE YEAR ENDED JUNE 30, 2019**

<u>Board of Supervisors</u>	<u>Title</u>
Alfredo L. Montoya	Chairman
Joe A. Romero	Vice-Chairman
Joseph P. Martinez	Treasurer
Adan Casados	Member
Nancy G. O'Bryan	Secretary

Staff	
Delbert Trujillo	Project Manager
Ruth A. Murphy	Office Manager



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

Brian S. Colón
New Mexico State Auditor
and
Members of the Board
Upper Rio Grande Watershed District
Hernandez, New Mexico

We have performed the procedures enumerated below, which were agreed by the State of New Mexico, Upper Rio Grande Watershed District (District) for the year ended June 30, 2019, 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 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.

The procedures we performed, and the associated findings are included in this report.

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, respectively, on the Tier 4 agreed upon procedures. Accordingly, we do not express such an opinion or conclusion. 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 management and others within the District, the State Auditor, the Department of Finance and Administration – Local Government Division, and the New Mexico State Legislature and is not intended to be and should not be used by anyone other than these specified parties.

Integrity Accounting + Consulting, LLC

Integrity Accounting & Consulting, LLC
Albuquerque, NM

November 12, 2019

**STATE OF NEW MEXICO
UPPER RIO GRANDE WATERSHED DISTRICT
OFFICIAL ROSTER
FOR THE YEAR ENDED JUNE 30, 2019**

Our procedures and findings are as follows:

1. Verify Tier

Procedures

- a. Verify the local public body's revenue calculation and tier determination documented on the form provided at www.osanm.org under "Tiered System Reporting Main Page"

Results of Procedures Performed

- a. We verified the District's revenue calculation and tier determinations. The District's cash basis revenue was between the Tier 4 lower and upper limits and had no state capital outlay.

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. Test at least 30% of the bank reconciliations for accuracy. Also trace ending balances to the general ledger, supporting documentation, and the financial reports submitted to DFA-Local Government Division.
- c. Determine whether the local public body's financial institutions have provided it with the 50% of pledged collateral on all uninsured deposits as required by Section 6-10-17 NMSA 1978, NM Public Money Act, if applicable.

Results of Procedures Performed

- a. The bank reconciliations were performed monthly in a timely manner. All bank statements for the fiscal year were complete and on hand. For the period July 1, 2018 through June 30, 2019, the District had one checking account and one money market account.
- b. We have tested 42% of the bank reconciliations. The randomly selected bank reconciliations were accurate, and the ending balances on the bank reconciliations agreed with the District's general ledger and supporting documentation. The ending balances were traced to the financial reports submitted to DFA-Local Government Division. No exceptions noted.
- c. The District currently has one checking and one savings bank accounts and they did not exceed FDIC coverage limit of \$250,000 during the year, and therefore, pledged collateral was not required at any time during the year.

**STATE OF NEW MEXICO
UPPER RIO GRANDE WATERSHED DISTRICT
OFFICIAL ROSTER
FOR THE YEAR ENDED JUNE 30, 2019**

3. Capital Assets

Procedures

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

Results of Procedures Performed

- a. The District did not have any capital assets as of June 30, 2019.

4. Revenue

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 equal to at least 30% of the total dollar amount and test 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 of Procedures Performed

- a. An analytical review of prior-year to current-year revenue revealed no unexplained or unusual variations. The test of actual revenue compared to budgeted revenue for the year for each type of revenue revealed no exceptions.
- b. We requested supporting documentation for seven (7) deposits (83% of total revenue) from a total of 15 deposits for the year. For the sample selected, the amount recorded in the general ledger agreed with the supporting documentation and the bank statement.
- c. Per review of supporting documentation for the transactions tested, amounts were properly recorded on a cash basis as to classification, amount and period.

**STATE OF NEW MEXICO
UPPER RIO GRANDE WATERSHED DISTRICT
OFFICIAL ROSTER
FOR THE YEAR ENDED JUNE 30, 2019**

5. Expenditures

Procedures

Select a sample of cash disbursements equal to at least 30% of the total dollar amount and test 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 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 of Procedures Performed

- a) We requested supporting documentation for fifteen (15) disbursements (33% of total expenses) out of a total of 186 disbursements for the year. The amounts recorded as disbursed agreed with the supporting documentation. The amount, payee, date and description of the purchase agreed with the vendor's invoice, contract and canceled check. The District does not use purchase order forms.
- b) For the sample selected, disbursements were properly authorized and approved in compliance with the budget, legal requirements and established policies and procedures.
- c) 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 13-1-99 NMSA 1978) and State Purchasing Regulations (1.4.1 NMAC) and Regulations Governing the Per Diem and Mileage Act (2.42.2 NMAC).

6. Journal Entries

Procedures

Test all non-routine journal entries, adjustments, and reclassifications posted to the general ledger for the following attributes:

- a. Journal entries appear reasonable and have supporting documentation.

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UPPER RIO GRANDE WATERSHED DISTRICT
OFFICIAL ROSTER
FOR THE YEAR ENDED JUNE 30, 2019**

- b. The local public body has procedures that require journal entries to be reviewed and there is evidence the reviews are being performed.

Results of Procedures Performed

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

Results of Procedures Performed

- a) Verified through the minutes and correspondence that the original budget was approved by the District's governing body and was approved by DFA-LGD on July 18, 2019. The District did not make any budget adjustments in FY19.
- b) Total actual expenditures did not exceed the final budget at the total fund level, the legal level of budgetary control.
- c) A schedule of revenues and expenditures – budget and actual (page 7) was prepared from the DFA-LGD approved budget and the District's records on the cash budgetary basis used by the District, revealed no exceptions.

8. 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

**STATE OF NEW MEXICO
UPPER RIO GRANDE WATERSHED DISTRICT
OFFICIAL ROSTER
FOR THE YEAR ENDED JUNE 30, 2019**

the report as required by Section 12-6-6 NMSA 1978. The findings must include the required content per Section 2.2.2.10(1)(3)(C) NMAC.

Results of Procedures Performed

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

STATE OF NEW MEXICO
UPPER RIO GRANDE WATERSHED DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Grants				
BOR Grant	\$ 17,753	17,753	17,753	-
Mill Levy Distribution	140,896	140,896	143,569	2,673
Interest income	51	51	92	41
Total revenues	<u>158,700</u>	<u>158,700</u>	<u>161,414</u>	<u>2,714</u>
Expenditures:				
Current:				
Acequia Disaster Assistance	30,000	30,000	-	30,000
Special Projects	50,000	50,000	-	50,000
Payroll Expenses	60,000	60,000	55,661	4,339
Aguas Nortenas-BOR Grant	45,000	45,000	38,975	6,025
Professional services	15,000	15,000	1,646	13,354
Dues	500	500	-	500
Financial Audit	4,000	4,000	3,728	272
Information/Education/Conservation	2,500	2,500	951	1,549
Insurance	2,000	2,000	1,358	642
Per Diem - Mileage	1,500	1,500	834	666
Operation & Maintenance	83,242	83,242	30,769	52,473
Training	2,500	2,500	420	2,080
Office expense	18,758	18,758	9,958	8,800
Total expenditures	<u>315,000</u>	<u>315,000</u>	<u>144,300</u>	<u>170,700</u>
Excess (deficiency) of revenues over (under) expenditures	(156,300)	(156,300)	17,113	(167,986)
Budgeted cash carryover				
Net change in fund balance	<u>\$ (156,300)</u>	<u>(156,300)</u>		

Blue / Red Cells in Workbook are Data Entry Cells

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: 6/30/2019
 Prepared by: Ruth Murphy

XV _____
 (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	268,255	-	161,415	-	144,299	285,370	1,199	-	-	286,569	286,568	1
INTERGOVERNMENTAL GRANTS	218	-	-	-	-	-	-	-	-	-	-	-	-
OTHER	299	-	-	-	-	-	-	-	-	-	-	-	-
DEBT SERVICE	400	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total		\$ 268,255	\$ -	\$ 161,415	\$ -	\$ 144,299	\$ 285,370	\$ 1,199	\$ -	\$ -	\$ 286,569	\$ 286,568	\$ 1

SPECIAL DISTRICT: Rio Grande Watershed District
 QUARTER ENDING: 6/30/19

REVENUES	CURRENT QUARTER	YEAR TO DATE	APPROVED BUDGET	YTD % OF BUDGET
General Fund 101 (enter items below)				
Mil Levy Distribution	43,268	143,569	140,896	102%
Bank Interest	37	92	51	181%
BOR Grant	2,891	17,753	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
Subtotal General Fund Revenues	\$ 46,197	\$ 161,415	\$ 140,947	115%
Other Financing Sources:				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Transfers	\$ -	\$ -	\$ -	-
TOTAL GENERAL FUND REVENUES	\$ 46,197	\$ 161,415	\$ 140,947	115%
Intergovernmental Grants 218 (enter items below)				
	-	-	17,753	0%
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
Subtotal Intergovernmental Grants Revenues	\$ -	\$ -	\$ 17,753	0%
Other Financing Sources:				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Transfers	\$ -	\$ -	\$ -	-
TOTAL INTERGOV. GRANT REVENUES	\$ -	\$ -	\$ 17,753	0%
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	\$ 46,197	\$ 161,415	\$ 158,700	102%

EXPENDITURES	CURRENT QUARTER	YEAR TO DATE	APPROVED BUDGET	YTD % OF BUDGET
General Fund 101 (enter items below)				
	-	-	-	-
	-	-	-	-
	-	-	-	-
Acequia Disaster Assistance	-	-	30,000	0%
Special Projects	-	-	50,000	0%
Payroll Expense	14,408	55,661	60,000	93%
Contract Services - Aguas Nortenas	10,885	38,975	45,000	87%
Professional Services	599	1,646	15,000	11%
Dues	-	-	500	0%
Financial Audit	-	3,728	4,000	93%
Information/Education/Conservation	882	951	2,500	38%
Insurance	-	1,358	2,000	68%
Per Diem/Mileage	815	834	1,500	56%
Operation & Maintenance	29,418	30,769	83,242	37%
Training	420	420	2,500	17%
Election	-	-	-	-
Office Expense	2,412	9,958	18,758	53%
Miscellaneous	356	-	-	-
TOTAL GENERAL FUND EXPENDITURES	\$ 60,196	\$ 144,299	\$ 315,000	46%
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	\$ 60,196	\$ 144,299	\$ 315,000	46%

DIRECTORS:
Alfredo L. Montoya
Joseph Martinez
Joe A. Romero
Nancy O'Bryan
Adan Casados

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 2019-4
FINANCIAL REPORT
YEAR END JUNE 30, 2019**

WHEREAS, THE GOVERNING BODY OF THE UPPER RIO GRANDE WATERSHED DISTRICT, STATE OF NEW MEXICO, HAS REVIEWED THE JUNE 30, 2019 (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, 2019.

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 16TH DAY OF JULY 2019

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

ALFREDO MONTOYA, CHAIRMAN



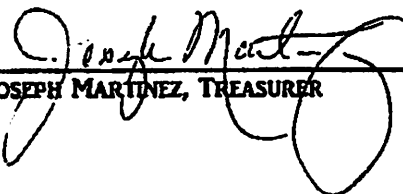
NANCY O'BRYAN, SECRETARY



JOE ROMERO, VICE CHAIRMAN



ADAN CASADOS, MEMBER



JOSEPH MARTINEZ, TREASURER

**STATE OF NEW MEXICO
UPPER RIO GRANDE WATERSHED DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2019**

PRIOR YEAR FINDINGS

NONE

CURRENT YEAR FINDINGS

NONE

**STATE OF NEW MEXICO
UPPER RIO GRANDE WATERSHED DISTRICT
OTHER DISCLOSURES
FOR THE YEAR ENDED JUNE 30, 2019**

B. EXIT CONFERENCE

The contents of the report for the Upper Rio Grande Watershed District were discussed on November 12, 2019. The following individuals were in attendance.

Upper Rio Grande Watershed District Officials

Joseph Martinez – Treasurer

Ruth Murphy – Office Manager

Integrity Accounting & Consulting Personnel

Erick Robinson, CPA, CFE - Partner

Jela Basista, CPA - Auditor