

**STATE OF NEW MEXICO**  
**CIUDAD SOIL AND WATER CONSERVATION DISTRICT**

**TIER 4 AGREED UPON PROCEDURES**

**JUNE 30, 2014**

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

**State of New Mexico**  
**Ciudad Soil and Water Conservation District**  
**Table of Contents**  
**June 30, 2014**

	<u>Page</u>
Official Roster	1
Independent Accountant's Report on Applying Agreed-Upon Procedures	2-5
Schedule of Revenue, Expenses, Budget and Actual	6
Copy of the year-end financial report submitted to DFA-LGD	7-10
Schedule of Findings and Recommendations	11
Exit Conference	12

**State of New Mexico  
Ciudad Soil and Water Conservation District  
June 30, 2014**

**Board of Supervisors**

Chairman	J. Steven Glass
Vice Chairman	Thomas Allen
Treasurer	Zoe L. Economou
Supervisor	Sara Newton Juarez
Supervisor	Dale Kennedy

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

Mr. Hector H Balderas  
New Mexico State Auditor  
and  
Members of the Board  
Ciudad Soil and Water Conservation District  
Albuquerque, NM

We have performed the procedures enumerated below, which were agreed to by the State of New Mexico, Ciudad Soil and Water Conservation District (the District), for the year ended June 30, 2013, 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% of 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 reconciliations were done in a timely manner and were complete and on-hand.
- b) Random test of 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 one bank account. The total amount in this accounts is \$85,340 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 did perform a yearly inventory and has an official 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 more revenue than they budgeted for by \$15,740.
- b) The District receives grants for its support and we tested half of them. 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.
- b) Determine that disbursements were properly authorized and approved in compliance with the budget, legal requirements and established policies and procedures.

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

- 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 275 disbursements for the year for a total of \$693,770. We sampled 59 items that totaled \$456,050. 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) The bid process reviewed appears to have been done in accordance with the New Mexico Procurement code.

**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) There were no non-routine journal entries.
- b) There were no non-routine 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 did not exceed the final budget 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.

**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. Based on the information and documentation provided to us, the District expended \$481,072 of Federal Awards.

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, Ciudad Soil and Water Conservation District, 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 24, 2014

**State of New Mexico**  
**Ciudad Soil and Water Conservation District**  
**Proprietary Fund**  
**Schedule of Revenues, Expenses Budget and Actual (non-GAAP Budgetary Basis)**  
**For the year ended June 30, 2014**

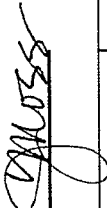
	Original Approved Budget	Final Approved Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
State Allotments	\$ 12,000	\$ 12,947	\$ 12,907	\$ (40)
State Grants	40,000		46,651	46,651
Federal Grants	384,251	490,049	504,769	14,720
Private Funding	-	196,850	151,080	(45,770)
Miscellaneous Revenue	450	2,520	3,150	630
Miscellaneous Revenue	3,719	4,169	3,719	(450)
Total revenues	440,420	706,535	722,276	15,741
<b>Expenses:</b>				
Salaries	74,957	89,880	78,014	11,866
Workers compensation insurance	-	1,040	1,728	(688)
Milage and per diem	525	-	-	-
Fees and services	-	8,000	8,000	-
Telephone	331	720	720	-
Supplies	356	300	217	83
Auto and gas	2,768	3,711	4,994	(1,283)
Advertising and public relations	202	120	2,390	(2,270)
Audit expense	3,000	3,100	3,130	(30)
Insurance and bonding	1,187	-	-	-
Dues and board fees	60	60	30	30
Field supplies	9,000	1,000	2,782	(1,782)
Postage	117	78	132	(54)
Training	473	225	-	225
Contractual services	346,969	426,959	437,960	(11,001)
Cost sharing expenses	-	157,546	151,974	5,572
Legal notices	-	82	162	(80)
Depreciation	-	-	368	(368)
Travel/meetings	45	-	-	-
Miscellaneous	430	440	442	(2)
Miscellaneous	3,719	3,971	3,600	371
Total operating expenses	\$ 444,139	\$ 697,232	696,643	589
Excess revenues (loss) over expenditures			\$ 25,633	\$ 15,152



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

SOIL AND WATER CONSERVATION DISTRICT QUARTERLY FINANCIAL REPORT

I HEREBY CERTIFY THAT THE CONTENTS IN THIS REPORT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

(Preparer's Signature) 

S.W.C.D.: Ciudad SWCD  
 Period Ending: 6/30/14

FUND	Fund Number	UNAUDITED BEGINNING CASH BALANCE @ July 1	INVESTMENTS (if used in the daily operations)	REVENUES TO DATE	NET TRANSFERS	EXPENDITURES TO DATE	BOOK BALANCE END OF PERIOD
GENERAL FUND	101	42,474.61	0.00	722,275.98	0.00	692,671.39	72,079.20
INTERGOVERNMENTAL GRANTS	218	0.00	0.00	0.00	0.00	0.00	0.00
OTHER	299	4,141.84	0.00	0.00	0.00	3,970.66	171.18
DEBT SERVICE	400	0.00	0.00	0.00	0.00	0.00	0.00
<b>GRAND TOTAL</b>		<b>46,616.45</b>	<b>0.00</b>	<b>722,275.98</b>	<b>0.00</b>	<b>696,642.05</b>	<b>72,250.38</b>

\$72,250.38  
 (sum check)

USER NOTES:

Note: any cells with blue or red can be used. All other cells are locked.

Uncleared Transactions total \$13,260.88  
 Bank Stmt as of June 30, 2014 = \$85,340.08

SUBMIT TO LOCAL GOVERNMENT DIVISION NO LATER THAN ONE MONTH AFTER THE CLOSE OF EACH QUARTER.

SWCD:  
Ciudad SWCD

Period Ending: 6/30/14

REVENUES	CURRENT QUARTER	YEAR TO DATE	APPROVED BUDGET	% OF BUDGET
<b>General Fund 101</b>				
Property Tax - Current Year	0.00	0.00	0.00	-
Property Tax - Delinquent	0.00	0.00	0.00	-
Property Tax - Penalty & Interest	0.00	0.00	0.00	-
Oil and Gas - Equipment	0.00	0.00	0.00	-
Oil and Gas - Production	0.00	0.00	0.00	-
Total Interest income From Bank Accounts and CDs	0.00	0.00	0.00	-
Hazardous Fuels Income	0.00	0.00	0.00	-
Grass Seed and or Tree Sales	0.00	0.00	0.00	-
Book Sales	0.00	0.00	0.00	-
Rent Revenue	0.00	0.00	0.00	-
Brush Control Materials	0.00	0.00	0.00	-
Noxious Weed Program	0.00	0.00	0.00	-
Conservation Sale Items	0.00	0.00	0.00	-
State Allotments	645.35	12,906.91	12,947.07	1.00
Miscellaneous	2,053.20	2,699.68	2,520.00	1.07
Private Funding	99,793.22	197,730.86	196,850.00	1.00
Federal Funding	121,858.44	504,769.42	490,049.00	1.03
Fiscal Agent/Administrative Revenue	0.00	4,169.11	4,169.11	1.00
<b>TOTAL GENERAL FUND REVENUES</b>	<b>224,350.21</b>	<b>722,275.98</b>	<b>706,535.18</b>	<b>1.02</b>
<b>Intergovernmental Grants 218</b>				
University Grants	0.00	0.00	0.00	-
Federal Grants	0.00	0.00	0.00	-
State Grants	0.00	0.00	0.00	-
Local Grants	0.00	0.00	0.00	-
Private Grants	0.00	0.00	0.00	-
Legislative Funding	0.00	0.00	0.00	-
Miscellaneous	0.00	0.00	0.00	-
<b>TOTAL GRANT REVENUES</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-</b>
<b>Other 299</b>				
Contract Services	0.00	0.00	0.00	-
Educational Income	0.00	0.00	0.00	-
Charges for Services	0.00	0.00	0.00	-
Capital Outlay Funded	0.00	0.00	0.00	-
Project Income	0.00	0.00	0.00	-
Emergency Watershed Protection Program	0.00	0.00	0.00	-
Project Income	0.00	0.00	0.00	-
Project Expenses Income	0.00	0.00	0.00	-
Silent Auctions	0.00	0.00	0.00	-
Miscellaneous	0.00	0.00	0.00	-
<b>TOTAL OTHER 299</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-</b>
<b>Debt Service 400</b>				
<b>General Obligation Bonds</b>				
General Obligation - (Property Tax)	0.00	0.00	0.00	-
Investment Income	0.00	0.00	0.00	-
Other - Misc	0.00	0.00	0.00	-
Bond Proceeds	0.00	0.00	0.00	-
<b>Revenue Bonds:</b>	0.00	0.00	0.00	-
Revenue Bonds - GRT	0.00	0.00	0.00	-
Investment Income	0.00	0.00	0.00	-
Revenue Bonds - Other	0.00	0.00	0.00	-
<b>Miscellaneous (NMFA, BOF, etc.):</b>				
Investment Income	0.00	0.00	0.00	-
Loan Revenue	0.00	0.00	0.00	-
Miscellaneous	0.00	0.00	0.00	-
<b>TOTAL DEBT SERVICE REVENUES</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-</b>
<b>GRAND TOTALS REVENUES- CURRENT QTR</b>	<b>224,350.21</b>	<b>722,275.98</b>	<b>706,535.18</b>	<b>1.02</b>

NOTE: If this report is for the first quarter year to date will be the same as the current quarter.

SWCD:

Ciudad SWCD

Period Ending: 6/30/14

EXPENDITURES	CURRENT QUARTER	YEAR TO DATE	APPROVED BUDGET	% OF BUDGET
<b>GENERAL FUND 101</b>				
Personnel Services, Salaries including Benefits	18,916.89	78,012.28	89,880.04	0.87
GRT Taxes	0.00	0.00	0.00	-
Mileage and Per Diem	0.00	0.00	0.00	-
Fees and Services	0.00	8,000.00	8,000.00	1.00
Office Expense	0.00	216.60	300.00	0.72
Building Expenses (e.g. rent/maintenance)	0.00	0.00	0.00	-
Supplies	0.00	2,781.96	0.00	-
Election Expense	0.00	0.00	0.00	-
Education expense	0.00	0.00	0.00	-
Vehicle Expense (Insurance, gas, maintenance)	729.81	4,993.94	3,710.43	1.35
Advertising, Public Relations (e.g. newsletter)	1,120.95	2,389.88	120.00	19.92
Annual Audit Expenses	1,564.88	3,129.76	3,100.19	1.01
Dues and Board Fees	0.00	30.00	60.00	0.50
Field Supplies (e.g. Salt Cedar Mechanical Removal)	0.00	0.00	1,000.00	-
Postage Expense	46.69	131.93	78.00	1.69
Cost Sharing Expense	75,945.22	151,973.54	157,545.83	0.96
Brush Control Expenses	0.00	0.00	0.00	-
Training and Workshops	0.00	0.00	225.00	-
Contractual Services Expenses	79,243.90	437,960.05	426,958.47	1.03
Utilities (Electricity, Natural Gas, Propane, Water, Sewer)	0.00	0.00	0.00	-
Miscellaneous (e.g. Chipper Expense)	46.65	441.65	440.00	1.00
Telephone & Internet Expenses	180.00	720.00	720.00	1.00
Legal Notices	16.18	161.80	82.00	1.97
Liability Insurance & Workers Comp	187.00	1,728.00	1,041.00	1.66
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>177,998.17</b>	<b>692,671.39</b>	<b>693,260.96</b>	<b>1.00</b>
<b>Intergovernmental Grants Expenditures 218</b>				
University Grants	0.00	0.00	0.00	-
Federal Grants	0.00	0.00	0.00	-
State Grants	0.00	0.00	0.00	-
Local Grants	0.00	0.00	0.00	-
Private Grants	0.00	0.00	0.00	-
Legislative Funding	0.00	0.00	0.00	-
Miscellaneous	0.00	0.00	0.00	-
	0.00	0.00	0.00	-
<b>Total Grant Expenditures</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-</b>
<b>Other Expenditures 299</b>				
Contract Services	0.00	0.00	0.00	-
Educational Income	0.00	0.00	0.00	-
Charges for Services	0.00	0.00	0.00	-
Capital Outlay Funded	0.00	0.00	0.00	-
Project Income	0.00	0.00	0.00	-
Emergency Watershed Protection Program	0.00	0.00	0.00	-
Project Income	0.00	0.00	0.00	-
Project Expenses Income	0.00	0.00	0.00	-
Silent Auctions	0.00	0.00	0.00	-
Miscellaneous	22.50	3,970.66	3,970.66	1.00
	0.00	0.00	0.00	-
<b>Total Other Expenditures</b>	<b>22.50</b>	<b>3,970.66</b>	<b>3,970.66</b>	<b>1.00</b>
<b>Debt Service 400</b>				
<b>General Obligation Bonds</b>				
General Obligation Exp. (Property Tax)	0.00	0.00	0.00	-
Investment Income Exp.	0.00	0.00	0.00	-
Other Exp. - Misc	0.00	0.00	0.00	-
Bond Proceeds Exp.	0.00	0.00	0.00	-
<b>Revenue Bonds:</b>	0.00	0.00	0.00	-
Revenue Bonds - GRT Exp	0.00	0.00	0.00	-
Investment Income Exp.	0.00	0.00	0.00	-
Revenue Bonds Exp. - Other	0.00	0.00	0.00	-
<b>Miscellaneous (NMFA, BOF, etc.):</b>				
Investment Income Exp.	0.00	0.00	0.00	-
Loan Revenue Exp.	0.00	0.00	0.00	-
Miscellaneous Exp.	0.00	0.00	0.00	-
	0.00	0.00	0.00	-
<b>Total Debt Service Expenditures</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-</b>
<b>TOTAL EXPENDITURES Current Quarter</b>	<b>178,020.67</b>	<b>696,642.05</b>	<b>697,231.62</b>	<b>1.00</b>

NOTE: If this report is for the first quarter year to date it will be the same as the current quarter.

Ciudad SWCD 4th Qtr Report to DFA

SWCD:

Ciudad SWCD

Period Ending: 06/30/14

BUDGETED TRANSFERS * OTHER FINANCING SOURCES/ USES	Current Quarter	Year to Date
Transfers In Fund 101 (e.g. 500)	0.00	0.00
Transfers In Fund 218	0.00	0.00
Transfers In Fund 299	0.00	0.00
Transfers In Fund 400	0.00	0.00
<b>A SUB-TOTAL</b>	<b>0.00</b>	<b>0.00</b>
Transfers Out Fund 101 (e.g. 500)	0.00	0.00
Transfers Out Fund 218	0.00	0.00
Transfers Out Fund 299	0.00	0.00
Transfers Out Fund 400	0.00	0.00
<b>B SUB-TOTAL</b>	<b>0.00</b>	<b>0.00</b>
<b>A - B Total Net Transfers</b>	<b>\$ -</b>	<b>\$ -</b>

Note: The A-B Total Net Transfers must always equal zero.(0).

\* Transfers in the budget occur when money arrives in one account and is transferred to another for a specific use. Board must approve by resolution. Local Government also approves if moving from or to the General Fund.

A fund is a group (or umbrella), of self balancing accounts

**State of New Mexico  
Ciudad Soil and Water Conservation District  
Schedule of Findings and Responses  
June 30, 2014**

**PRIOR YEAR FINDINGS:**

13-1	Budget control of expenditures	Resolved
13-2	SAO Reporting	Resolved

**CURRENT YEAR FINDINGS:**

None

**State of New Mexico**  
**Ciudad Soil and Water Conservation District**  
**Exit Conference**  
**June 30, 2014**

Exit Conference

An exit conference was held on November 24, 2014.

Representing Ciudad Soil and Water Conservation District were:

J. Steven Glass, Chairman  
Jennifer Moss, District Fiscal Administrator

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

Fidel A. Bernal, CPA  
Vanessa Bernal, Office Manager