

STATE OF NEW MEXICO  
GRANT SOIL AND WATER CONSERVATION DISTRICT

Tier 3 of the Audit Act Report

Year Ended June 30, 2013

STATE OF NEW MEXICO  
GRANT SOIL AND WATER CONSERVATION DISTRICT  
Silver City, New Mexico  
Table of Contents

Official Roster	2
Capital Outlay Award Information	3
Agreed-Upon Procedures Report	4-5
Schedule of Findings and Responses	6
Exit Conference	7

STATE OF NEW MEXICO  
GRANT SOIL AND WATER CONSERVATION DISTRICT  
Silver City, New Mexico  
Official Roster

Johnny Reed	San Lorenzo, New Mexico	Chair
David McCauley	Hurley, New Mexico	Vice-Chair
William Woodward	Tyrone, New Mexico	Secretary/Treasurer
Ty Bays	Silver City, New Mexico	Member
Duston Hunt, Jr.	Silver City, New Mexico	Member
David Ogilvie	Silver City, New Mexico	Member
Alex Thal	Silver City, New Mexico	Member

STATE OF NEW MEXICO  
 GRANT SOIL AND WATER CONSERVATION DISTRICT  
 Capital Outlay Awards  
 June 30, 2013

Burro Cienaga: New Mexico Environment Department River Ecosystem Restoration Initiative (RERI) Agreement #12-667-5000-0006

Maldonado: New Mexico State University through HB191 2012 Severance Tax Bonds Improvements to Maldonado dam for the upper Gila valley

	B. Cienaga	Maldonado
Amount awarded to Grant Soil and Water Conservation District as of the year ended June 30, 2012:	\$ 84,000.00	\$ -
Amount received by Grant Soil and Water Conservation District as of the year ended June 30, 2012:	\$ 4,250.76	\$ -
Amount expended by Grant Soil and Water Conservation District as of the year ended June 30, 2012:	\$ 4,250.76	\$ -
Remaining balance of award as of June 30, 2012:	\$ 79,749.24	\$ -
Amount awarded to Grant Soil and Water Conservation District as of the year ended June 30, 2013	\$ -	\$177,000.00
Amount received by Grant Soil and Water Conservation District as of the year ended June 30, 2013:	\$ 58,813.20	\$177,000.00
Amount expended by Grant Soil and Water Conservation District as of the year ended June 30, 2013:	\$ 58,813.20	\$177,000.00
Remaining balance of award as of June 30, 2013:	\$ 20,936.04	\$ -



# Beasley, Mitchell & Co.

Certified Public Accountants

Donald A. Beasley, CPA, Partner  
Christine Wright, CPA, Partner  
Beth Fant, EA, Partner  
Brad Beasley, CPA, Partner

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

Grant Soil and Water Conservation District  
And Hector Balderas, Auditor of the State of New Mexico

We have performed the procedures enumerated below for the Grant Soil and Water Conservation District (District) for the year ended June 30, 2013 solely to assist the District in demonstrating compliance with the Tier 3 entity under the Audit Act, Section 12-6-3 B (4) NMSA 1978, Section 2.2.2.16 NMAC. The procedures were agreed to by the District through the Office of the State Auditor of New Mexico. Grant Soil and Water Conservation 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 findings are as follows:

- 1) Test all state-funded capital outlay expenditures:
  - a) Determine that the amount recorded as disbursed agrees to adequate supporting documentation. Verify that amount, payee, date and description agree to the purchase order, contract, vendor's invoice and canceled check, as appropriate.  
Amount, payee, date and description agreed to the supporting documentation and check image.
  - b) Determine that the cash disbursements were properly authorized and approved in accordance with the budget, legal requirements and established policies and procedures.  
Cash disbursements were authorized and approved in accordance with District policy.
  - 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 and State Purchasing Regulations (Section 13-1-28 through 13-1-199 NMSA 1978 and 1.4.1 NMAC).  
Bid process was in accordance with the applicable laws and regulations.
  - d) Determine the physical existence (by observation) of the capital asset based on expenditures to date.

We observed the projects being funded by the capital outlay funds.

- e) Verify that status reports were submitted to the state agency per terms of agreement and amounts in the status report agree with the general ledger and other supporting documentation.

The terms of the agreement were followed for both projects.

- 2) If the project was funded in advance, determine if the award balance (and cash balance) appropriately reflects the percentage of completion based on the project schedule and expenditures to date.

Neither project was funded in advance.

- 3) If the project is complete, determine if there is an unexpended balance and whether it was reverted per statute and agreement with the grantor.

The Burro Cienaga project was not complete as of June 30, 2013. The Maldonado dam project was complete as of June 30, 2013. There was no unexpended balance for the Maldonado dam project as of June 30, 2013.

- 4) Determine whether cash received for the award was accounted for in a separate fund or separate bank account that is non-interest bearing if so required by the capital outlay award agreement.

There was no requirement in either award that required the cash to be accounted for in a separate fund or bank account.

- 5) Determine whether reimbursement requests were properly supported by costs incurred by the recipient. Determine whether the costs were paid by the local public body prior to the request for reimbursement.

There was support for all reimbursement requests. Due to cash levels, the District incurred the cost of the project, was billed by the vendor, but submitted the reimbursement request to New Mexico State University before paying the vendor. The District did inform NMSU that they did not have the cash balance to pay the vendor before submitting the request.

- 6) No other information came to our attention that would require disclosing in this report as required by Section 12-6-6 NMSA 1978.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the accounting records. 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 Grant Soil and Water Conservation District, the Office of the State Auditor of New Mexico, and Department of Finance and Administration, Local Government Division, and is not intended to be and should not be used by anyone other than those specified parties.



Beasley, Mitchell & Co., LLP

Las Cruces, New Mexico

October 22, 2013

STATE OF NEW MEXICO  
GRANT SOIL AND WATER CONSERVATION DISTRICT  
Schedule of Findings and Responses  
Year ended June 30, 2013

**STATUS OF PRIOR YEAR FINDINGS**

11-01            Late Tier 3 Report – Corrected

**CURRENT YEAR FINDING**

13-01    Late submission of the IPA recommendation form and Tier 3 contract to the State Auditor.

Statement of Condition:

The District submitted their IPA recommendation form and Tier 3 contract to the State Auditor after July 1, 2013. The State Auditor received the documents on September 11, 2013.

Criteria:

Paragraph (6) of subsection G of 2.2.2.8 NMAC (State Auditor Rule) outlines due dates for local public bodies with a June 30 fiscal year-end. The IPA recommendation form and Tier 3 contract must be delivered to the State Auditor by July 1.

Effect:

The District is not in compliance with state statute.

Cause:

The District was waiting for the State Auditor to approve the June 30, 2012 and June 30, 2011 Tier 3 reports before proceeding with planning for the June 30, 2013 reporting period.

Recommendation:

We recommend the District follow the State Audit Rule and submit the IPA recommendation form and Tier contract by the required date.

Management Response:

The District wanted to make sure the previous reports were accepted by the Office of the State Auditor before proceeding with a new contract. The District will make every

STATE OF NEW MEXICO  
GRANT SOIL AND WATER CONSERVATION DISTRICT  
Schedule of Findings and Responses  
Year ended June 30, 2013

effort to obtain an accountant and provide the necessary documents by the required due date to ensure compliance with the State Audit Rule.

Exit Conference

An exit conference was held on October 22, 2013 with Rebecca Benavidez, Project Coordinator and Dustin Hunt Jr., Board member, Grant Soil and Water Conservation District. Representing Beasley, Mitchell & Co., LLP were Clark Goding, Audit Manager and Stephanie Bertka, Staff Accountant.