

**STATE OF NEW MEXICO
GUADALUPE SOIL AND WATER
CONSERVATION DISTRICT
Independent Accountants' Report on
Applying Agreed-Upon Procedures
Year Ended June 30, 2014**

Ronny Fouts, CPA
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Melrose, NM 88124

**STATE OF NEW MEXICO
GUADALUPE SOIL AND
WATER CONSERVATION DISTRICT
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June 30, 2014**

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**STATE OF NEW MEXICO
GUADALUPE SOIL AND
WATER CONSERVATION DISTRICT
Official Roster
June 30, 2014**

Board of Supervisors

Vincent R. Cordova
Eugenio Lujan
Alfredo Flores
Jose R. Lucero
Curt Kelling

Chairman
Vice-Chairman
Secretary/Treasurer
Member
Member

Gloria Gage

District Clerk

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Vincent R. Cordova, Chairman and
The District Board
GUADALUPE Soil & Water Conservation District
and Honorable Tim Keller, New Mexico State Auditor

We have performed the procedures enumerated below for the Guadalupe Soil & Water Conservation District for the year ended June 30, 2014. The Guadalupe Soil & Water Conservation District was determined to be a Tier 4 entity under the Audit Act, Section 12-6-3 B (4) NMSA 1978 and Section 2.2.2.16 NMAC. The procedures were agreed to by the Guadalupe Soil & Water Conservation District through the Office of the New Mexico State Auditor. The Guadalupe Soil & Water Conservation District's management is responsible for the organization'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. 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.

Findings:

The Guadalupe Soil & Water Conservation District has one checking account. All bank reconciliations are performed within days of receiving the bank statements and all were

complete and on-hand.

Random tests of bank reconciliations revealed that the reconciliations agreed with supporting documentation. The amounts reported on Spreadsheets agreed with the quarterly financial reports submitted to DFA-LGD.

All of the Conservation District's Deposits were covered by FDIC Insurance.

2. Capital Assets

Procedures:

- (a) Verify that the local public body is performing a yearly inventory as required by Section 12-6-10 NMSA1978.

Findings:

The Guadalupe Soil & Water Conservation District performed a yearly inventory as required by Section 12-6-10 NMSA 1978 and maintains a capital asset listing.

3. 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.
- (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.

Findings:

Analytical review and test of actual revenue compared to budgeted revenue for the year for each type of revenue revealed no exceptions. Amounts recorded in records agreed with supporting documentation and the amounts were properly recorded on a cash basis as to classification, amount and period per review of supporting documentation. Amounts tested was 51% of Transactions and the dollar amount was \$29,187.00.

4. Expenditures

Procedures:

Select a sample of cash disbursements and test the total amount of expenditures for 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 cancelled 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 13-1-99 NMSA 1978) and State Purchasing Regulations (1.4.1 NMAC) and Regulations Governing the Per Diem and Mileage Act (2.42.2 NMAC).

Findings:

Amounts recorded as disbursed agreed to supporting documentation. Amount paid, payee, date and description agreed with the vendor's invoice, purchase order, contract and cancelled check, as appropriate.

Disbursements were properly authorized and approved in compliance with the budget, legal requirements and established policies and procedures. The amounts tested were 50% of expenditures and the dollar amounts were \$14,180.00.

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).

5. Journal Entries

Procedures:

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

- (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 Guadalupe Soil & Water Conservation District utilizes computer generated spreadsheets to record cash transactions only and did not prepare journal entries.

6. 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.

Findings:

A review of the minutes revealed that the original budget was approved by Guadalupe Soil & Water Conservation District and the DFA-LGD. There were five subsequent budget adjustments which were approved by the DFA-LGD.

Total actual expenditures did not exceed the final budget at the total fund level, the legal level of budgetary control.

A schedule of revenues and expenditures - budget and actual was prepared on the cash budgetary basis used by the Guadalupe Soil & Water Conservation District.

7. Other Procedures

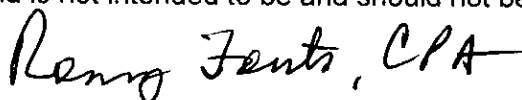
If information comes to the IPA's attention (regardless of materiality) indicating any fraud, illegal acts, noncompliance, or any internal control deficiencies, disclose in the report as required by Section, 12-6-6 NMSA 1978. The findings must include the required content per Section 2.2.2.10 (I) (3)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

Findings

One exception was found as a result of applying the procedures described above (regardless of materiality) indicating any fraud, illegal acts, noncompliance, or any internal control deficiencies. The finding was a late audit report and is designated as 2014-001 in the audit finding section of the report.

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 Guadalupe Soil & Water Conservation District, the New Mexico State Auditor's Office, NM Legislature and the DFA-LGD and is not intended to be and should not be used by anyone other than those specified parties.



Ronny Fouts, CPA
Melrose, New Mexico
February 18, 2015

STATE OF NEW MEXICO
 GUADALUPE SOIL AND WATER CONSERVATION DISTRICT
 Statement of Revenues, Expenditures, and Changes
 in Cash Balance - Budget and Actual (Non-GAAP)
 General Fund
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variance-Favorable (Unfavorable)
	Original	Final		
Revenues:				
Mill Levy	\$ 35,000	\$ 35,000	\$ 42,714	\$ 7,714
New Mexico S&WCC Annual Grant	10,000	10,000	12,907	2,907
Equipment Rental	-	-	(150)	(150)
Construction Material	400	400	659	259
Other Income	200	200	-	(200)
Total Revenues	<u>\$ 45,600</u>	<u>\$ 45,600</u>	<u>\$ 56,130</u>	<u>\$ 10,530</u>
Expenditures:				
Dues	\$ 1,500	\$ 1,500	\$ 1,250	\$ 250
Bond	200	200	-	200
Information & Education	500	500	-	500
Office Expense	1,500	2,325	2,325	-
Meeting Expense	2,500	3,127	3,127	-
Supervisor Meeting	5,700	5,700	5,700	-
Construction Material	1,000	1,000	832	168
Contract Services	18,000	16,350	11,588	4,762
Travel	3,000	3,000	661	2,339
Capital Outlay	-	-	-	-
Advertising	800	818	816	2
Awards	200	200	-	200
Project Expenses	5,000	5,000	400	4,600
Audit Expenses	-	-	-	-
Equipment & Management Salary	1,200	1,200	600	600
Fees & Charges	400	400	22	378
Insurance	1,500	1,500	1,300	200
Equipment Maintenance	2,600	2,600	420	2,180
Total Expenditures	<u>45,600</u>	<u>45,420</u>	<u>29,041</u>	<u>16,379</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>180</u>	<u>27,089</u>	<u>26,909</u>
Cash Balance at beginning of year	<u>47,415</u>	<u>47,415</u>	<u>47,415</u>	<u>-</u>

Guadalupe Soil & Water Conservation District
 FYTD Spending July 1, 2013 through June 30, 2014

FUND

Cash On Hand 6/30/2014 Wells Fargo Checking \$74,504.26

	4th Quarter FY13/14	Income/Spending FYTD	2013-2014 Approved Budget	Over/Under Budget
REVENUE				
Mil Levy	\$ 16,488	\$ 42,714	\$ 35,000	\$ 7,714
New Mexico S&WCC Annual Grant	\$ 645	\$ 12,907	\$ 10,000	\$ 2,907
Equipment Rental	\$ -	\$ (150)	\$ -	\$ (150)
Construction Material	\$ (1,366)	\$ 659	\$ 400	\$ 259
Other Income	\$ -	\$ -	\$ 200	\$ (200)
Total Revenues	\$ 15,768	\$ 56,130	\$ 45,600	\$ 10,530
EXPENDITURES				
Dues	\$ -	\$ 1,250	\$ 1,500	\$ 250
Bond	\$ -	\$ -	\$ 200	\$ 200
Information & Education	\$ -	\$ -	\$ 500	\$ 500
Office Expense	\$ 645	\$ 2,325	\$ 1,500	\$ (825)
Meeting Expense	\$ 2,077	\$ 3,127	\$ 2,500	\$ (627)
Supervisor Meeting	\$ 1,330	\$ 5,700	\$ 5,700	\$ -
Construction Material	\$ -	\$ 832	\$ 1,000	\$ 168
Contract Services	\$ 3,175	\$ 11,588	\$ 18,000	\$ 6,412
Travel	\$ 232	\$ 661	\$ 3,000	\$ 2,339
Capital Outlay	\$ -	\$ -	\$ -	\$ -
Advertising	\$ -	\$ 816	\$ 800	\$ (16)
Awards	\$ -	\$ -	\$ 200	\$ 200
Project Expenses	\$ 400	\$ 400	\$ 5,000	\$ 4,600
Audit Expenses	\$ -	\$ -	\$ -	\$ -
Equipment Management Salary	\$ 150	\$ 600	\$ 1,200	\$ 600
Fees & Charges	\$ 6	\$ 22	\$ 400	\$ 378
Insurance	\$ 1,300	\$ 1,300	\$ 1,500	\$ 200
Equipment Maintenance	\$ -	\$ 420	\$ 2,600	\$ 2,180
Total Expenditures	\$ 9,315	\$ 29,040	\$ 45,600	\$ 16,560

GUADALUPE SOIL & WATER CONSERVATION DISTRICT
 586 South 9th Street Santa Rosa New Mexico 88435

VINCENT CORDOVA
CHAIRMAN

EUGENIO LUJAN
VICE-CHAIRMAN

CHARLIE SERRANO
TREASURER

ALFREDO FLORES
MEMBER

CURT KELLING
MEMBER

RESOLUTION 2014-9-17

REQUESTING AUTHORIZATION FOR TRANSFER OF FUNDS & BUDGET APPROVAL

- WHEREAS:** Guadalupe Soil & Water Conservation District budgeted \$1,500 for Office Expenses, and have now exceeded the budgeted amount, due to unanticipated office expenditures,
- WHEREAS:** Guadalupe Soil & Water Conservation District budgeted \$2,500 for Meeting Expenses and has now exceeded the budgeted amount due higher than expected costs
- WHEREAS:** Guadalupe Soil & Water Conservation District budgeted \$800 for Advertising Expenses and has now exceeded the budgeted amount due higher than expected costs
- WHEREAS:** The Guadalupe Soil & Water Conservation District Board does now wish to make the following budget adjustments and approve the new budget,

	DEBIT	CREDIT
Office Expenses	\$ 825	
Meeting Expenses	\$ 627	
Advertising	\$ 18	
Contract Services Expenses		\$1,470
TOTAL	\$1,470	\$1,470

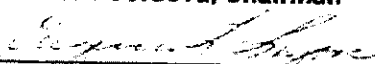
NOW, THEREFORE BE IT RESOLVED, that the Guadalupe Soil & Water Conservation District Board does respectfully request approval from the Local Government Division of the New Mexico Department of Finance and Administration.

PASSED, APPROVED, AND ADOPTED in Regular Session this 17th day of September 2014..

GUADALUPE SOIL & WATER CONSERVATION DISTRICT BOARD



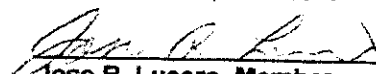
 Vincent R. Cordova, Chairman



 Eugenio Lujan, Vice-Chairman



 Alfredo Flores, Treasurer



 Jose R. Lucero, Member

ABSENT

 Curt Kelling, Member

APPROVED (AS AMENDED) PURSUANT TO
 SECTION 6-6-2 NMSA 1978
 LOCAL GOVERNMENT DIVISION

DATE 9/22/14

BY 
 DEPARTMENT OF FINANCE AND ADMINISTRATION

15-025

**STATE OF NEW MEXICO
GUADALUPE SOIL AND WATER CONSERVATION DISTRICT
Schedule of Findings and Responses
Year Ended June 30, 2014**

Prior Year Audit Findings

None

Current Year Findings

2014-001 – Agreed Upon Procedures Report submitted late (Significant Deficiency)

Condition:

The AUP Report was not submitted to the New Mexico State Auditor's office by the due date of December 1, 2014.

Criteria:

The New Mexico State Auditor requires public entities to submit their AUP reports by December 1. If the reports are submitted late, it is considered to be an instance of noncompliance with subsection 2.2.2.2 (E) NMAC.

Cause:

The contract for the AUP was not received back from the State Auditor's office until 1/25/15. It was impossible to complete a report by the due date.

Effect:

Non compliance with New Mexico State Auditor's Rule.

Recommendation:

Complete and submit in a timely manner.

Agency response:

The AUP will be submitted timely.

**STATE OF NEW MEXICO
GUADALUPE SOIL AND WATER CONSERVATION DISTRICT
Exit Conference
Year Ended June 30, 2014**

EXIT CONFERENCE

The report contents were discussed at an exit conference held on February 18, 2015 with the following in attendance:

Guadalupe Soil and Water Conservation District

Vincent R. Cordova, Board Chairman
Gloria Gage, District Clerk

Accounting Firm

Ronny Fouts, CPA

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