

STATE OF NEW MEXICO
GUADALUPE SOIL AND WATER
CONSERVATION DISTRICT
Independent Accountants' Report on
Applying Agreed-Upon Procedures
Year Ended June 30, 2016

**STATE OF NEW MEXICO
GUADALUPE SOIL AND
WATER CONSERVATION DISTRICT
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June 30, 2016**

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**STATE OF NEW MEXICO
GUADALUPE SOIL AND
WATER CONSERVATION DISTRICT
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June 30, 2016**

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



Griego Professional Services, LLC

Certified Public Accountants

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, 2016. 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:

State Audit Rule Change – Verify Tier Determination

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."

Finding - Guadalupe Soil & Water District performed the required calculation to determine Tier 4 status under the Audit Act. We reviewed the calculation and verified its accurateness.

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.

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Phone (505) 856-2741 - Fax (505) 856-7510

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 were 96% of transactions and the dollar amount was \$102,669.60.

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 69% of expenditures and the dollar amounts were \$ 89,126.57.

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, a tested significant item 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

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.

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.

GRIEGO PROFESSIONAL SERVICES, LLC



Albuquerque, New Mexico
December 1, 2016

STATE OF NEW MEXICO
GUADALUPE SOIL AND WATER CONSERVATION DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Y.T.D. Actual	Variance Final Budget vs Actual
	Original	Final		Favorable (Unfavorable)
<i>Revenues:</i>				
Mill Levy	\$ 40,000	\$ 40,000	\$ 53,134	\$ 13,134
New Mexico S&WCC Grant	13,000	13,000	29,006	16,006
State Grants	-	-	15,221	15,221
Miscellaneous	600	600	9,411	8,811
<i>Total revenues</i>	<u>53,600</u>	<u>53,600</u>	<u>106,772</u>	<u>53,172</u>
<i>Expenditures:</i>				
Personnel and benefits	1,200	1,200	600	600
Travel and mileage	1,500	1,500	2,118	(618)
Fees and services	400	400	16	384
Office expense	1,200	1,200	3,724	(2,524)
Education expense	500	500	630	(130)
Advertising	600	600	1,645	(1,045)
Audit and professional fees	3,300	3,300	2,219	1,081
Field supplies	1,000	1,000	1,053	(53)
Dues and fees	1,200	1,200	902	298
Contract services	24,000	24,000	24,247	(247)
Annual meeting expense	8,000	8,000	5,558	2,442
Insurance	1,500	1,500	1,235	265
Equipment maintenance and procurement	3,500	3,500	4,393	(893)
Micellaneous expense	5,700	5,700	1,011	4,689
<i>Total expenditures</i>	<u>53,600</u>	<u>53,600</u>	<u>49,351</u>	<u>4,249</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>57,421</u>	<u>57,421</u>
<i>Cash - beginning of year</i>			<u>101,711</u>	
<i>Cash - end of year</i>			<u>\$ 159,132</u>	

GUADALUPE SOIL & WATER CONSERVATION DISTRICT

586 South 9th Street
Santa Rosa, New Mexico 88435

Revised Budget Resolution: 2015-8-19-1

WHEREAS, the Guadalupe Soil & Water Conservation District met in regular session at NRCS Office, 586 South 9th Street, Santa Rosa, New Mexico, 88435 on August 19, 2015, at 9:00AM as required by law; and

WHEREAS, the Governing Body of Guadalupe Soil & Water Conservation District, State of New Mexico, have developed a budget for fiscal year 2015-16, and,

WHEREAS, said budget was develop on the basis of need and through cooperation with all user departments, elected official and supervisors, and,

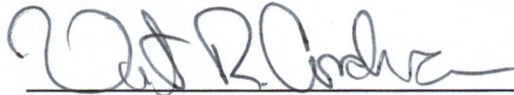
WHEREAS, the official meeting for the review of said documents were duly advertised in May 2015 in compliance with the state open meetings act and,

WHEREAS, it is the majority opinion of this Board that the proposed budget meets the requirements as currently determined for the fiscal year 2015-16.

NOW, THEREFORE, BE IT RESOLVED that the governing body of the Guadalupe Soil and Water Conservation District, State of New Mexico, hereby adopts the 2015-16 Preliminary Budget herein above described.

Passed by the Guadalupe Soil & Water Conservation District, this day of August 19, 2015.


Vincent R. Cordova, Chairman:



Eugenio "Geno" Lujan, Vice-Chairman:



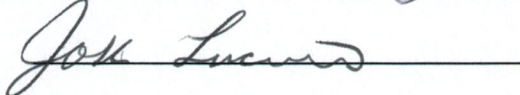
Alfredo Flores, Treasurer:



Curt Kelling, Member:



Jose R. Lucero, Member:



Guadalupe Soil & Water Conservation District
Proposed Budget July 1, 2015 through June 30, 2016

FUND
 Cash On Hand 4/30/2015 Wells Fargo Checking

\$94,088.75

2014-2015 Budget 2015-2016 Budget 2015-2016 Revised

REVENUE

Mill Levy	\$ 35,000	\$ 40,000	\$ 40,000
New Mexico S&WCC Annual Grant	\$ 12,000	\$ 13,000	\$ 13,000
Equipment Rental	\$ -	\$ -	\$ -
Construction Material	\$ 400	\$ 400	\$ 400
Other Income	\$ 200	\$ 200	\$ 200
Total Revenues	\$ 47,600	\$ 53,600	\$ 53,600

EXPENDITURES

Dues	\$ 1,500	\$ 2,000	\$ 1,000
Bond	\$ 200	\$ 200	\$ 200
Information & Education	\$ 500	\$ 500	\$ 500
Office Expense	\$ 1,200	\$ 1,500	\$ 1,200
Meeting Expense	\$ 2,000	\$ 2,300	\$ 2,300
Supervisor Meeting	\$ 5,700	\$ 5,700	\$ 5,700
Construction Material	\$ 1,000	\$ 1,000	\$ 1,000
Contract Services	\$ 23,000	\$ 26,000	\$ 24,000
Travel	\$ 2,000	\$ 1,500	\$ 1,500
Capital Outlay	\$ -	\$ -	\$ 0
Advertising	\$ 700	\$ 600	\$ 600
Awards	\$ 200	\$ 200	\$ 200
Loan Repayment	\$ -	\$ -	\$ 5,000
Project Expenses	\$ 2,500	\$ 1,500	\$ 500
Audit Expenses	\$ -	\$ 3,500	\$ 3,300
Equipment Management Salary	\$ 1,200	\$ 1,200	\$ 1,200
Fees & Charges	\$ 400	\$ 400	\$ 400
Insurance	\$ 1,500	\$ 1,500	\$ 1,500
Equipment Maintenance	\$ 1,000	\$ 1,000	\$ 500
Equipment Purchase	\$ 3,000	\$ 3,000	\$ 3,000
Total Expenditures	\$ 47,600	\$ 53,600	\$ 53,600

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: Guadalupe SWCD
 Quarter Ending: 6/30/2016
 Prepared by: Vincent R. Cordova

(signature line)

QUARTERLY YEAR TO DATE TRANSACTIONS PER BOOKS

FUND TITLE	FUND NUMBER	UNAUDITED BEGINNING CASH BALANCE @ 7/2/2015	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	\$101,711.79	\$0.00	91,551.23	-	49,351.56	143,911.46	-	-	-	143,911.46	-	143,911.46
INTERGOVERNMENTAL GRANTS	218	\$0.00	\$0.00	15,220.56	-	78,907.83	(63,687.27)	-	-	-	(63,687.27)	-	(63,687.27)
OTHER	299	\$0.00	\$0.00	-	-	-	-	-	-	-	-	-	-
DEBT SERVICE	400	\$0.00	\$0.00	-	-	-	-	-	-	-	-	-	-
Grand Total		\$ 101,711.79	\$ -	\$ 106,771.79	\$ -	\$ 128,259.39	\$ 80,224.19	\$ -	\$ -	\$ -	\$ 80,224.19	\$ -	\$ 80,224.19

STATE OF NEW MEXICO
GUADALUPE SOIL AND WATER CONSERVATION DISTRICT
Schedule of Findings and Responses
Year Ended June 30, 2016

PRIOR YEAR AUDIT FINDINGS

2014-001 –Agreed-upon Procedures Report submitted late - Resolved (Other Matter - Compliance)

CURRENT YEAR FINDINGS

None

EXIT CONFERENCE

The report contents were discussed at an exit conference held on December 1, 2016 with the following in attendance:

Guadalupe Soil and Water Conservation District

Vincent R Cordova, Board Chairman
Gloria Gage, District Clerk

Griego Professional Services, LLC

J.J. Griego, CPA