

STATE OF NEW MEXICO  
GUADALUPE SOIL AND WATER  
CONSERVATION DISTRICT  
Independent Accountants' Report on  
Applying Agreed-Upon Procedures  
Year Ended June 30, 2018

**STATE OF NEW MEXICO  
GUADALUPE SOIL AND  
WATER CONSERVATION DISTRICT  
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June 30, 2018**

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**STATE OF NEW MEXICO  
GUADALUPE SOIL AND  
WATER CONSERVATION DISTRICT  
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June 30, 2018**

**Board of Supervisors**

Vincent R. Cordova  
Eugenio Lujan  
Steve Gallegos  
Jose R. Lucero  
Hito Romero

Chairman  
Vice-Chairman  
Secretary/Treasurer  
Member  
Member

Gloria Gage

District Clerk



## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Vincent R. Cordova, Chairman and  
The District Board  
Guadalupe Soil & Water Conservation District  
and Honorable Brian Colon, New Mexico State  
Auditor

We have performed the procedures enumerated below, which are agreed to by the Guadalupe Soil & Water Conservation District for the year ended June 30, 2018. 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 and compliance with state statutes. 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. Verify Tier Determination**

Verify the local public body's revenue calculation and tier determination documented on the form provided at [www.osanm.org](http://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.

## **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.

### **Findings:**

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

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 District's Deposits were covered by FDIC Insurance.

## **3. 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.

## **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 revenue 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.

Findings:

We performed an 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 financial 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 80% of transactions and the dollar amount tested totaled \$240,397.05.

## 5. Expenditures

Procedures:

Select a sample of cash disbursements equal to at least 30% of the total dollar amount 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:

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

The disbursements were properly authorized and approved in compliance with the budget, legal requirements and established policies and procedures. The amounts tested were 80% of expenditures and the dollar amounts were \$240,397.05.

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:

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.

## 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.

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 no subsequent budget adjustments which required approval by the DFA-LGD.

The total actual expenditures did exceed the final budget at the total fund level in the amount of \$7,865 at the operational budget level and \$781 at the state grant level which are the legal levels of budgetary control. The District maintained sufficient cash balances to absorb the over-expenditure.

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

## 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, 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.

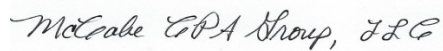
### Findings

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 examination or review, the objective of which would be the expression of an opinion or conclusion on the accounting records. 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 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.

McCabe Group, LLC

A handwritten signature in cursive script that reads "McCabe CPA Group, LLC". The signature is written in black ink on a light-colored background.

Albuquerque, New Mexico  
May 16, 2019



**STATE OF NEW MEXICO**  
**GUADALUPE SOIL & WATER CONSERVATION DISTRICT**  
**STATEMENT OF REVENUES AND EXPENSES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		YTD Actual	Variance Final vs Actual
	Original	Final		Favorable (Unfavorable)
<i>Revenues:</i>				
Property Tax (Mil Levy)	\$ 55,000	\$ 55,000	59,745	\$ 4,745
NM Soil & Water Commission Allotment	14,000	14,000	13,641	(359)
Equipment Rental	-	-	900	900
Conservation Material Sales	400	400	1,534	1,134
Miscellaneous	200	200	17	(183)
<i>Total revenues</i>	<u>69,600</u>	<u>69,600</u>	<u>75,837</u>	<u>6,237</u>
<i>Expenses:</i>				
Dues	900	900	815	85
Security bond fee	200	200	200	-
Information and Education	500	500	850	(350)
Office expense	1,700	1,700	1,632	68
Meeting expense	2,000	2,000	1,830	170
Supervisor meeting	5,700	5,700	5,890	(190)
Construction material	300	300	1,031	(731)
Contract services	31,500	31,500	33,986	(2,486)
Travel	2,900	2,900	3,623	(723)
Advertising	1,000	1,000	960	40
Awards	200	200	-	200
Loan Repayment	4,900	4,900	9,644	(4,744)
Project expense	1,000	1,000	2,746	(1,746)
Audit expense	3,200	3,200	3,225	(25)
Equipment maintenance salary	600	600	600	-
Fees and charges	100	100	158	(58)
Insurance	1,400	1,400	1,331	69
Equipment maintenance	3,500	3,500	5,064	(1,564)
Equipment purchases	8,000	8,000	3,178	4,822
Equipment purchases	0	0	702	(702)
<i>Total expenses</i>	<u>69,600</u>	<u>69,600</u>	<u>77,465</u>	<u>(7,865)</u>
<i>Excess of revenues over expenses</i>	<u>-</u>	<u>-</u>	<u>(1,628)</u>	<u>(1,628)</u>
<i>Other financing sources (uses):</i>				
State grant expenditures	-	-	(225,628)	(225,628)
State grant revenue	-	-	224,847	224,847
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>(781)</u>	<u>(781)</u>
<i>Excess of revenues over expenses</i>	<u>\$ -</u>	<u>\$ -</u>	<u>(2,409)</u>	<u>\$ (2,409)</u>
Net position, beginning of year			<u>112,338</u>	
Net position, end of year			<u>\$ 109,929</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: GUADALUPE  
 Quarter Ending: 6/30/2018  
 Prepared by: Gloria Gage

Vincent Cordova  
 (signature line)

QUARTERLY YEAR TO DATE TRANSACTIONS PER BOOKS

FUND TITLE	FUND NUMBER	UNAUDITED BEGINNING CASH BALANCE @ 7/1/2017	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	\$ 112,338.29	-	\$ 75,836.89	-	\$ 77,465.21	\$ 110,709.97	\$ -	\$ -		\$ 110,709.97	-	\$ 110,709.97
INTERGOVERNMENTAL GRANTS	218	-	-	\$ 224,846.78	-	\$ 225,628.32	\$ (781.54)	-	-		\$ (781.54)	-	(782)
OTHER	299	-	-	-	-	-	-	-	-		-	-	-
DEBT SERVICE	400	-	-	-	-	-	-	-	-		-	-	-
Grand Total		\$ 112,338.29	\$ -	\$ 300,683.67	\$ -	\$ 303,093.53	\$ 109,928.43	\$ -	\$ -	\$ -	\$ 109,928.43	\$ -	\$ 109,928.43

SPECIAL DISTRICT: GUADALUPE  
 QUARTER ENDING: 6/30/18

REVENUES	CURRENT QUARTER	YEAR TO DATE	APPROVED BUDGET	YTD % OF BUDGET
<b>General Fund 101 ( enter items below )</b>				
Property Taxes ( Mil Levy)	\$ 6,353.55	\$ 59,744.57	\$ 55,000.00	\$ 1.09
New Mexico SWCC Allotment	\$ -	\$ 13,641.31	\$ 14,000.00	\$ 0.97
Equipment Rental	\$ -	\$ 900.00	\$ -	-
Construction Material	\$ 438.25	\$ 1,534.25	\$ 400.00	\$ 3.84
Other Income	\$ -	\$ 16.76	200	8%
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
Subtotal General Fund Revenues	\$ 6,791.80	\$ 75,836.89	\$ 69,600	109%
Other Financing Sources: Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Transfers	\$ -	\$ -	\$ -	-
<b>TOTAL GENERAL FUND REVENUES</b>	<b>\$ 6,791.80</b>	<b>\$ 75,836.89</b>	<b>\$ 69,600</b>	<b>109%</b>
<b>Intergovernmental Grants 218 ( enter items below )</b>				
State Grant	\$ 6,943.35	\$ 224,846.78	-	-
Federal Grant	\$ -	\$ -	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
Subtotal Intergovernmental Grants Revenues	\$ 6,943.35	\$ 224,846.78	\$ -	-
Other Financing Sources: Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Transfers	\$ -	\$ -	\$ -	-
<b>TOTAL INTERGOV. GRANT REVENUES</b>	<b>\$ 6,943.35</b>	<b>\$ 224,846.78</b>	<b>\$ -</b>	<b>-</b>
<b>Other 299 ( enter items below )</b>				
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
Subtotal Other 299 Revenues	\$ -	\$ -	\$ -	-
Other Financing Sources: Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Transfers	\$ -	\$ -	\$ -	-
<b>TOTAL OTHER REVENUES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>
<b>Debt Service 400</b>				
<b>General Obligation Bonds</b>	-	-	-	-
General Obligation - (Property tax)	-	-	-	-
Investment Income	-	-	-	-
Other - Misc	-	-	-	-
<b>Revenue Bonds</b>	-	-	-	-
Bond Proceeds	-	-	-	-
Revenue Bonds - GRT	-	-	-	-
Investment Income	-	-	-	-
Revenue Bonds - Other	-	-	-	-
<b>Miscellaneous(NMFA, BOF, etc.)</b>	-	-	-	-
	-	-	-	-
Subtotal Debt Service Fund Revenues	\$ -	\$ -	\$ -	-
Other Financing Sources: Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Transfers	\$ -	\$ -	\$ -	-
<b>TOTAL DEBT SERVICE REVENUES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>
<b>GRAND TOTAL REVENUES</b>	<b>\$ 13,735.15</b>	<b>\$ 300,683.67</b>	<b>\$ 69,600.00</b>	<b>432%</b>

**SPECIAL DISTRICT: GUADALUPE**  
**QUARTER ENDING: 6/30/18**

EXPENDITURES	CURRENT QUARTER	YEAR TO DATE	APPROVED BUDGET	YTD % OF BUDGET
<b>General Fund 101 ( enter items below )</b>				
Dues	\$ -	\$ 815.00	\$ 900.00	91%
Bond	\$ 100.00	\$ 200.00	\$ 200.00	100%
Information & Education	\$ 700.00	\$ 850.00	\$ 500.00	170%
Office Expense	\$ 256.02	\$ 1,631.88	\$ 1,700.00	96%
Meeting Expense	\$ 480.00	\$ 1,830.00	\$ 2,000.00	92%
Supervisor Meetings	\$ 1,425.00	\$ 5,890.00	\$ 5,700.00	103%
Construction Material	\$ 1,031.00	\$ 1,031.00	\$ 300.00	344%
Contract Services	\$ 5,981.35	\$ 33,985.86	\$ 31,500.00	108%
Travel	\$ 781.43	\$ 3,623.08	\$ 2,900.00	125%
Capital Outlay Expensed/Capitol Projects	\$ -	\$ -	\$ -	-
Advertising	\$ -	\$ 960.38	\$ 1,000.00	96%
Awards	\$ -	\$ -	\$ 200.00	0%
Loan Repayment	\$ 4,822.38	\$ 9,644.55	\$ 4,900.00	197%
Project Expenses	\$ 1,032.72	\$ 2,746.20	\$ 1,000.00	275%
Audit Expense	\$ -	\$ 3,225.00	\$ 3,200.00	101%
Equipment Management Salary	\$ 150.00	\$ 600.00	\$ 600.00	100%
Fees & Charges	\$ 16.20	\$ 158.00	\$ 100.00	158%
Insurance	\$ 431.00	\$ 1,331.00	\$ 1,400.00	95%
Equipment Maintenance	\$ 209.56	\$ 5,064.23	\$ 3,500.00	145%
Equipment Purchases	\$ -	\$ 3,177.31	\$ 8,000.00	40%
Miscellaneous	\$ -	\$ 701.72		
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>\$ 17,416.66</b>	<b>\$ 77,465.21</b>	<b>\$ 69,600.00</b>	<b>111%</b>
<b>Intergovernmental Grants 218 ( enter items below )</b>				
State Grants	\$ 781.54	\$ 225,628.32	-	-
Federal Grants	\$ -	\$ -	-	-
Local Grants	\$ -	\$ -	-	-
Private Grants	\$ -	\$ -	-	-
Legislative Funding	\$ -	\$ -	-	-
Other	\$ -	\$ -	-	-
<b>TOTAL INTERGOV. GRANT EXPENDITURES</b>	<b>\$ 781.54</b>	<b>\$ 225,628.32</b>	<b>\$ -</b>	<b>-</b>
<b>Other 299 ( enter items below )</b>				
Loan Payments	-	-	-	-
Capital Outlay Expenses/Capital Projects	-	-	-	-
Conservation and Environmental Contro Espenses	-	-	-	-
Bonding	-	-	-	-
All Other Insurance	-	-	-	-
Loan Program Expenses including Loan Repayments	-	-	-	-
Miscellaneous Expenses	-	-	-	-
<b>TOTAL OTHER EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>
<b>Debt Service 400</b>				
Bond Payments Principal	-	-	-	-
Bond Payments- Interest	-	-	-	-
Other Debt Service	-	-	-	-
<b>TOTAL DEBT SERVICE EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>\$ 18,198.20</b>	<b>\$ 303,093.53</b>	<b>\$ 69,600.00</b>	<b>435%</b>

**DEBT SERVICE**

**SPECIAL DISTRICT: GUADALUPE**

**Fund Number: 400  
Quarter Ending: 6/30/18**

(A) NAME AND TYPE	(B) DATE OF ISSUE	(C) ORIGINAL FACE AMOUNT OF ISSUE	(D) OUTSTANDING PRINCIPAL AMOUNT (Unpaid)	(E) COUPON RATE OF INTEREST	(F) PRINCIPAL DUE	(G) INTEREST DUE
	0/00/0000	-	-	0.0%	-	-
	0/00/0000	-	-	0.0%	-	-
	0/00/0000	-	-	0.0%	-	-
	0/00/0000	-	-	0.0%	-	-
	0/00/0000	-	-	0.0%	-	-
	0/00/0000	-	-	0.0%	-	-
	0/00/0000	-	-	0.0%	-	-
<b>TOTAL</b>		-	-		-	-

**INSTRUCTIONS - SCHEDULE OF BONDS & LONG TERM LOANS**

- Column (A): Describe the Purpose of the DEBT along with its NAME AND TYPE.
- Column (B): Enter the Date of Issue.
- Column (C): Enter the Original Amount of the Issue.
- Column (D): Enter Unpaid Principal Balance for Fiscal Year.
- Column (F): Enter Principal Amount To Be Paid, during Fiscal Year.
- Column (G): Enter Interest Amount To Be Paid, during Fiscal Year.

<b>TOTAL PRINC/ INT PD</b>	-
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Special District:

GUADALUPE

QUARTER ENDING:

06/30/18

BUDGETED TRANSFERS * OTHER FINANCING SOURCES/ USES	Current Quarter	Year to Date
Transfers In Fund 101 (e.g. 500)	-	-
Transfers In Fund 218	-	-
Transfers In Fund 299	-	-
Transfers In Fund 400	-	-
<b>A SUB-TOTAL</b>	-	-
Transfers Out Fund 101 (e.g. 500)	-	-
Transfers Out Fund 218	-	-
Transfers Out Fund 299	-	-
Transfers Out Fund 400	-	-
<b>B SUB-TOTAL</b>	-	-
<b>A - B Total Net Transfers</b>	\$ -	\$ -
<b>Note:</b>	<b>The A-B Total Net Transfers must always equal zero.(0).</b>	
<p>* 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.</p>		

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

STATE OF NEW MEXICO  
GUADALUPE SOIL AND WATER CONSERVATION DISTRICT  
Schedule of Findings and Responses  
Year Ended June 30, 2018

**PRIOR YEAR FINDINGS**

None

**CURRENT YEAR FINDINGS**

**2018-001– Late Agreed-Upon Procedures Report – Other Non-compliance**

*Condition:* The agreed-upon procedures report for the District fiscal year ended June 30, 2018 was not submitted by the December 15, 2018 due date.

*Criteria:* OSA Rule 2.2.2.10.I.(4) establishes a due date of December 15, 2018 for submission of this agreed-upon procedures report to the Office of the State Auditor.

*Effect:* The report was not submitted as required. Without the agreed-upon procedures report being delivered on time, fund and regulatory agencies as well as legislative committees do not have the financial data available to make funding decisions.

*Cause:* It was believed the report was submitted timely, but subsequent communications indicated it was not submitted by the due date.

*Recommendation:* We recommend the District submit the required deliverable in accurate form and in time and the accountants complete their procedures timely to meet the required deadline.

*Agency's Response:* The District will insure reports are submitted timely in upcoming years, beginning with June 30, 2019.

*Corrective Action Plan:* The District will deliver the documents to the accountant in sufficient time to ensure a timely agreed-upon procedures report submission. Corrections have been implemented by management in order to insure timely submission of the June 30, 2019 agreed-upon procedures report.

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**2018-002 – Budgetary Conditions – Other Non-compliance**

*Condition:* The District maintained expenditures in which actual expenditures exceeded budgetary authority in the amount of \$7,865.

*Criteria:* Sound financial management and 6-6-6 NMSA 1978 require that budgets not be exceeded at the legal level of control.

*Cause:* The District did not make the appropriate budgetary transfers to alleviate the over-expenditure.

*Effect:* The District is in non-compliance with New Mexico law, and the control established by the use of budgets has been compromised.

*Recommendation:* The District should establish a policy of budgetary review at year-end, and make the necessary budget adjustments to ensure expenditures do not exceed.

*Agency's Response:* This was an isolated instance which was a result of a one-time project that required an adjustment to the budget mid-year. This will be accounted for in future years.

*Corrective Action Plan:* The District will make necessary adjustments to the annual budget to ensure actual expenditures do not exceed budget reported to DFA. Corrections have been implemented by management in order to insure budgetary compliance of the June 30, 2019 agreed-upon procedures report.

**EXIT CONFERENCE**

The report contents were discussed at an exit conference held on May 16, 2019 with the following in attendance:

**Guadalupe Soil and Water Conservation District**

Vincent R Cordova, Board Chairman  
Gloria Gage, District Clerk

**McCabe Group, LLC**

J.J. Griego, CPA