



MACIAS, GUTIERREZ & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS
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STATE OF NEW MEXICO

SANTA FE - POJOAQUE SOIL AND WATER CONSERVATION DISTRICT

Independent Accountants' Report on Applying
Agreed-Upon Procedures

Year Ended June 30, 2010

STATE OF NEW MEXICO

**SANTA FE – POJOAQUE SOIL AND WATER
CONSERVATION DISTRICT**

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**STATE OF NEW MEXICO
SANTA FE – POJOAQUE SOIL AND WATER CONSERVATION DISTRICT**

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**STATE OF NEW MEXICO
SANTA FE – POJOAQUE SOIL AND WATER CONSERVATION DISTRICT**

**Official Roster
at June 30, 2010**

<u>Name</u>		<u>Title</u>
<u>Board of Directors</u>		
Jose Varela-Lopez		Chairman
Alfredo Roybal		Vice-Chairman
Carlos Ortiz		Secretary-Treasurer
Shelley Winship		Member
<u>Staff</u>		
Clara Dubois		Administrative Assistant



Macias, Gutierrez
& Co., P.C.

*Certified Public Accountants
Member AICPA, NMSCPA*

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To: Jose J. Varela-Lopez, Chairman
Santa Fe-Pojoaque Soil and Water Conservation District
and
Honorable Hector H. Balderas
New Mexico State Auditor

We have performed the procedures enumerated below for the Santa Fe-Pojoaque Soil and Water Conservation District (District) for the year ended June 30, 2010, solely to assist the District in demonstrating compliance with the provisions of Laws of 2007, Chapter 42 and Laws of 2011, Chapter 183, as set forth in the accompanying Projects Schedules – Summary and Detail, Exhibits A and B. The District was determined to be a Tier 3 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 Santa Fe-Pojoaque Soil and Water Conservation District through the Office of the New Mexico State Auditor. The Santa Fe-Pojoaque Soil and 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 follow.

The Contractor shall request and review all state-funded capital outlay awards, joint powers agreements, correspondence and other relevant documentation for the capital outlay award funds expended by the recipient that meet Tier 3 criteria.

1. The Contractor shall test all state-funded capital outlay expenditures to:

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 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).

- d) Determine the physical existence (by observation) of the capital asset based on expenditures to date.
- 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.

Findings

- a) We determined that amounts recorded as disbursed agreed to adequate supporting documentation and we verified that amounts, payees, dates and descriptions agreed to the vendor's invoices, purchase orders, contracts and cancelled check copies, as appropriate.
- b) We determined that disbursements were properly authorized and approved in compliance with the budget, legal requirements and established policies and procedures.
- c) We determined 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). Regulations Governing the Per Diem and Mileage Act (2.42.2 NMAC) were not applicable.
- d) We determined that physical observation was not feasible, in the circumstances since the project is not yet complete and a substantial part of the project cost is not subject to observation (personnel costs, travel and per diem and survey costs).
- e) We verified that status reports were submitted to the state agency per terms of agreement and amounts in the status report agree with accounting records and other supporting documentation.

2. Procedures

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

Findings

The project was not intended to be funded in advance but on a reimbursement basis.

3. Procedures

If the project is complete, the Contractor shall determine if there is unexpended balance and whether it was reverted per statute and agreement with the grantor.

Findings

The project is not yet complete and the unexpended balance is in agreement with the grantor.

4. Procedures

The Contractor shall 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 agreement.

Findings

Since the project was approved on a reimbursement basis, no separate fund or bank account was required.

5. Procedures

The Contractor shall determine whether reimbursement requests were properly supported by costs incurred by the recipient. The Contractor shall determine whether the costs were paid by the local public body prior to the request for reimbursement.

Findings

We determined that two agreements existed. One was between New Mexico State University (NMSU), who provided the project funding, and the District. The second was between the District and the US Department of Agriculture, Natural Resource Conservation Service (NRCS). That agreement states that the District will reimburse the NRCS for all costs associated with the rehabilitation planning and design for Santa Cruz Dam, Site 1. We determined that NRCS incurred costs prior to the District submission of requests for funding from NMSU and subsequent reimbursement to NCRS.

Other Procedures

If information comes to the Contractor'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 or any internal control deficiencies. However, see accompanying Schedule of Findings and Responses for Late Report noncompliance issues.

* * * * *

We were not engaged to, and did not conduct an audit of financial statements or any part thereof, the objective of which would be the expression of an opinion on the financial statements or a part thereof, including the accompanying Projects Schedules – Summary and Detail, Exhibits A and B. 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 Santa Fe-Pojoaque Soil and Water Conservation District, the New Mexico State Auditor's Office and the 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.

Macias, Gutierrez & Co., CPAs, P. C.

Macias, Gutierrez & Co., CPAs, P. C.
Española, New Mexico
February 7, 2012

STATE OF NEW MEXICO
 SANTA FE - POJOAQUE SOIL AND WATER CONSERVATION DISTRICT
 Agreed-Upon Procedures
 For the Year Ended June 30, 2010

Exhibit A

Capital Outlay Project No.	Pay Request	Amount Awarded	Amount Requested/ Received	Actual Amount Expended	Remaining Balance	Actual Legislation	Effective Dates
14889		\$ 150,000.00				Laws of 2007, Chapter 42, Section 81, Subsection 33	Through 6/30/2011
	1-3		<u>\$ 115,872.42</u>	<u>\$ 115,872.42</u>	\$ 34,127.58	To plan, design and construct upgrades to the Santa Cruz site 1 flood control dam in the Santa Fe- Pojoaque soil and water conservation district in Rio Arriba county.	
						Laws of 2011, Chapter 183, Section 75, extends time for expenditure of funds.	Through 6/30/2013

STATE OF NEW MEXICO
 SANTA FE - POJOAQUE SOIL AND WATER CONSERVATION DISTRICT
 Agreed-Upon Procedures
 For the Year Ended June 30, 2010

Exhibit B

Grant No.	Pay Request	Invoice/ Request Date	Amount Awarded	Amount Requested/ Received	Date Received	Invoice Amount	Check Number	Check Date	Actual Amount Expended	Vendor Paid
14889			\$ 150,000.00							
	1	12/17/2009		\$ 5,000.00	12/31/2009	\$ 5,000.00	1173	1/13/2010	\$ 5,000.00	Natural Resources Conservation
	2	4/16/2010		86,267.90	4/30/2010	86,267.90	1188	5/7/2010	86,267.90	Natural Resources Conservation
	3	6/16/2010		24,604.52	6/30/2010	<u>24,604.52</u>	1195	6/30/2010	<u>24,604.52</u>	Natural Resources Conservation
						<u>\$ 115,872.42</u>			<u>\$ 115,872.42</u>	

**STATE OF NEW MEXICO
SANTA FE – POJOAQUE SOIL AND WATER CONSERVATION DISTRICT**

**Schedule of Findings and Responses
Year Ended June 30, 2010**

	<u>Type of Finding *</u>	<u>Prior Year Finding Number</u>	<u>Current Year Finding Number</u>
Current Year Findings:			
Late Report	D	N/A	2010-1
Follow-up on Prior Year Findings:			
None	N/A	N/A	N/A

*** Legend for Findings:**

- A. Fraud
- B. Illegal Act(s)
- C. Internal Control Deficiency(ies)
- D. Noncompliance

**STATE OF NEW MEXICO
SANTA FE – POJOAQUE SOIL AND WATER CONSERVATION DISTRICT**

**Schedule of Findings and Responses
Year Ended June 30, 2010**

2010-1

Late Report

Criteria

Office of the State Auditor, Audit Rule 2010, 2.2.2 NMAC, *Requirements for Contracting and Conducting Audits of Agencies*, Section 2.2.2.16.H NMAC, requires that local public bodies with a June 30 fiscal year end to submit the agreed-upon procedures report no later than December 1 of that year.

Condition

The Santa Fe – Pojoaque Soil and Water Conservation District (District) has a June 30 year end but the agreed-upon procedures report for the year ended June 30, 2010 was submitted after December 1, 2010.

Cause

The request for proposal process began on October 14, 2011, several months after the December 1, 2010, required deadline.

Effect

The District has not complied with Office of the State Auditor, Audit Rule 2.2.2 NMAC, *Requirements for Contracting and Conducting Audits of Agencies*, Section 2.2.2.16.H which requires the report to be delivered on or before December 1.

Recommendation

We recommend that the District take appropriate measures to ensure that future agreed-upon procedures reports are submitted no later than the December 1 due date.

Entity Response

“The District will take the necessary action to ensure that future agreed-upon procedures reports are prepared in a timely manner so that they can be submitted prior to the December 1st due date.”

**STATE OF NEW MEXICO
SANTA FE – POJOAQUE SOIL AND WATER CONSERVATION DISTRICT**

**Exit Conference
Year Ended June 30, 2010**

EXIT CONFERENCE

The report contents were discussed at an exit conference held on February 22, 2012 with the following in attendance:

Santa Fe – Pojoaque Soil and Water Conservation District

Jose Varela-Lopez, Board Chairman
Carlos Ortiz, Board Secretary-Treasurer
Clara Dubois, Administrative Assistant

Accounting Firm

James R. (Jim) Macias, CPA