

**EASTERN PLAINS COUNCIL OF GOVERNMENTS  
BOARD OF DIRECTORS SPECIAL MEETING  
November 30, 2022  
418 Main Street, Clovis, NM 88101**

---

<https://zoom.us/j/99295785060?pwd=ZDlwckpMZHhaR0kvcHpneXVwcXFmQT09>

---

Chairman Roman Garcia called the meeting to order at 10:22 a.m. and thanked all for attending.

**ROLL CALL:**

Roll Call was taken, and Secretary Sandy Chancey commented per the Bylaws Article IV-Meetings 5. Members present shall constitute a quorum at any meeting held by the Council.

**MEMBERS PRESENT:**

Leona Powell, Grady; Connie Harrison, Texico; Roman Garcia, Vaughn; Jonathan Valdez, Des Moines; Wade Holderman, Ft. Sumner Irrigation District.

**STAFF PRESENT:**

Sandy Chancey, Vincent Soule, Raymond Mondragon, and Kyleigh Knight, with FWB.

**AUDITORS PRESENT:**

Diane Fox, Fox, Garcia and Company  
Shelleyn Garcia, Fox, Garcia and Company  
Christopher Bell, Fox, Garcia and Company

**APPROVAL OF AGENDA:**

THAT the November 30, 2022, Board of Directors agenda be approved as submitted.

MOTION: Jonathan Valdez

SECOND: Wade Holderman

MOTION CARRIED

**PRESENTATION OF THE FY22 AUDIT:**

Diane Fox, with Fox, Garcia and Company, presented the draft audit. Diane commented she would start with the audit adjustments they have proposed then go into the audit.

Adjustments:

- 1) Beginning balance adjustment. In transitioning accounting/systems the prior year's adjustments weren't recorded.
- 2) That did take the grant income down \$50,000.00.

- 3) Recognized some notes payable on Rio Pecos. There were funds distributed from JL Gray Company to Rio Pecos.
- 4) Reclassification on the gain of sale of the property. Separated from miscellaneous income.
- 5) Adjusted some of the CARES payments to current audit period.
- 6) Investment in San Jon was directly related to funds deposited from JL Gray Company.
- 7) Reclassified a Rio Pecos payment to notes receivable.
- 8) Recommending to not recognize compensation of sick leave during this period. There's a change in accounting where this does not have to be accounted until the next year.
- 9) Capitalization of an item on San Jon.

**Audit Changes:**

- 1) Updated the Board Roster.
- 2) Change in reporting entity for Ruth Visage Senior Apartments.
- 3) Governments wide financial statements.
- 4) There is a drop in assets because of the sale of Ruth Visage. (Capital assets, loan, etc.)
- 5) Expenses, per diem, etc., are pretty standard.
- 6) Detail for General Fund and San Jon.
- 7) Fund balances in the prior year would be significantly higher than FY22.
- 8) Beginning fund balances and ending fund balances would have changed so there's an explanation later in the audit.
- 9) Ask about the revenue for Grants and Contracts as to what should be recorded in FY22 and what portion might carry over to next year. This could cause an unfavorable showing, but if all is recorded in FY22 then the unfavorable amount would be adjusted.
- 10) The San Jon apartments show a deficiency, but it will be explained that they do not operate on the same budget as EPCOG. (This is not a consideration since it is regulated by Rural Development.)
- 11) There are disclosures on the apartments.
- 12) Note 8-Change in Reporting Entity page 21 is a summary of the impact the sale of Ruth Visage had on the audit.
- 13) Pledge collateral held in the Bank's Name—No change. Sandy stated she received a change last week, but it would not affect FY22 period.
- 14) The restitution payment of \$35,694.00 has no change.
- 15) Capital assets change - purchase of vehicles, building new doors,
- 16) Long term debt- San Jon is the only one. EPCOG does not have any long-term debt.
- 17) In the future budget for sick leave.
- 18) Minimal reimbursement expenses.
- 19) Note S-Sale of rental properties amount received, and amount disbursed by JL Gray.
- 20) No subsequent events to disclose.
- 21) No findings, no material weaknesses in Internal Control, no significant deficiency, no material noncompliance.
- 22) Component Unit Findings on Rio Pecos for late filing. They'll make sure this doesn't happen in the future.

**APPROVAL OF DRAFT FY22 AUDIT:**

THAT the FY22 Draft Audit be approved as presented.

MOTION: Leona Powell  
SECOND: Jonathan Valdez

MOTION CARRIED

**PUBLIC COMMENT:**

None

Sandy commented since having this special meeting the regularly scheduled December 14, 2022 will be cancelled.

**ADJOURNMENT:**

Since there is no further business to come before the board the meeting adjourned at 11:45 a.m.

THAT the meeting be adjourned.

MOTION: Jonathan Valdez  
SECOND: Leona Powell

MOTION CARRIED



Roman Garcia, Chairman

**\*A copy of financials, PowerPoint, resolutions, and any handouts are part of the meeting records filed in the Board of Directors' meeting folder.**