

STATE OF NEW MEXICO
CABALLO SOIL AND WATER CONSERVATION DISTRICT

Tier 4 of the Audit Act Report

Year Ended June 30, 2015

STATE OF NEW MEXICO
CABALLO SOIL AND WATER CONSERVATION DISTRICT
Garfield, New Mexico
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STATE OF NEW MEXICO
CABALLO SOIL AND WATER CONSERVATION DISTRICT
Garfield, New Mexico
Official Roster

Hector Mendoza	Chair
Harvey Morrow	Vice-Chair
Pat Emery	Secretary/Treasurer
Dee Wear	Member
Frank Garay	Member
Casey McGuire	Member
Slim Whitlock	Member



Beasley, Mitchell & Co.

Certified Public Accountants

Donald A. Beasley, CPA, Partner
Christine Wright, CPA, Partner
Beth Fant, EA, Partner
Brad Beasley, CPA, Partner

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Hector Mendoza, Chairman
and Members of the Board of Supervisors
Caballo Soil and Water Conservation District
and
Timothy Keller
New Mexico State Auditor

We have performed the procedures enumerated below, for the Caballo Soil and Water Conservation District (District), for the year ended June 30, 2015. The 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 District through the Office of the New Mexico State Auditor. The management of the Caballo Soil and Water Conservation District is responsible for the company'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

- 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.

The District has four bank accounts, all reconciliations were performed on a timely basis, and bank statements for the fiscal year were 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 Department of Finance and Administration - Local Government Division (DFA-LGD).

Random tests of bank reconciliations revealed that the reconciliations were accurate and agreed with the supporting documentation and with the financial report submitted to 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.

Balances at banks throughout the year never exceeded FDIC limits, and therefore pledged collateral was not required on any bank balance.

2. Capital assets

Verify that the local public body is performing a yearly inventory as required by Section 12-6-10 NMSA 1978.

The District performed a yearly inventory as required by Section 12-6-10 NMSA 1978.

3. Revenue

Identify the nature and amount of revenue from sources by reviewing the budget, agreements, rate schedules, and underlying documentation.

The District has a property tax mill levy, receives annual appropriations from the New Mexico Legislature, receives repayments on loans made to farmers, and has interest income on bank accounts.

- a) Perform an analytical review, test actual revenue compared to budgeted revenue for the year for each type of revenue.

Analytical review and test of actual revenue compared to budgeted revenue for the year for each type of revenue revealed no exceptions.

Select a sample of revenues based on auditor judgment and test using the following attributes:

- b) Amount recorded in the general ledger agrees to the supporting documentation and the bank statement.

Amounts recorded in the general ledger agreed 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.

Transactions were properly recorded on a cash basis as to amount, classification, and period as determined by the review of supporting documentation.

4. Expenditures

Select a sample of cash disbursements based on auditor judgment and test 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.

Amounts recorded as disbursed agreed to supporting documentation. Amount paid, payee, date and description agree with 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.

Disbursements were properly authorized and approved in compliance with the budget, legal requirements and established polices 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 13-1-199 NMSA 1978) and State Purchasing Regulations (1.4.1 NMAC) and Regulations Governing the Per Diem and Mileage Act (2.42.2 NMAC).

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 13-1-199 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

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

- a) Journal entries appear reasonable and have supporting documentation.

The District uses Quicken to record transactions on a cash basis, no journal entries were prepared.

- b) The local public body has procedures that require journal entries to be reviewed and there is evidence the reviews are being performed.

The District uses Quicken to record transactions on a cash basis, no journal entries were prepared.

6. Budget

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.

A review of the minutes and correspondence revealed that the original budget was approved by the District board and DFA-LGD.

- b) Determine if the total actual expenditures exceed the final budget at the legal level of budgetary control; if so, report a compliance finding.

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

- 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.

Schedules of revenues and expenditures – budget to actual, cash basis, were prepared for the general fund and the watershed fund. The District informed us that a budget was not prepared for the watershed funds for the fiscal year ended June 30, 2015.

Other Procedures

If information comes to the IPA's attention (regardless of materiality) indicating any fraud, illegal acts, noncompliance, or any internal control deficiencies, such instances must be disclosed 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(l) (3) (C) NMAC.

Nothing came to our attention (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 Caballo Soil and Water Conservation District, the New Mexico State Auditor's Office, Department of Finance and Administration, Local Government Division, and the New Mexico Legislature and is not intended to be and should not be used by anyone other than those specified parties.

Beasley Mitchell & Co LLP

Beasley, Mitchell & Co., LLP

Las Cruces, New Mexico

September 24, 2015

STATE OF NEW MEXICO
 CABALLO SOIL AND WATER CONSERVATION DISTRICT
 STATEMENT OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (CASH BASIS)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actuals	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Mil levy	\$ 60,000	\$ 60,000	\$ 70,654	\$ 10,654
Loan repayments	-	-	4,929	4,929
Other income	8,010	8,010	1,491	(6,519)
State appropriation	13,000	13,000	14,741	1,741
Interest income	50	50	110	60
	<u>81,060</u>	<u>81,060</u>	<u>91,925</u>	<u>10,865</u>
Total revenues				
Expenditures				
PERSONNEL SERVICE				
Salaries	21,000	21,000	11,782	9,218
	<u>21,000</u>	<u>21,000</u>	<u>11,782</u>	<u>9,218</u>
Totals				
ADMINISTRATIVE				
Dues and subscriptions	1,000	1,000	1,400	(400)
Professional services	3,000	3,000	2,925	75
Per diem	1,500	1,500	1,057	443
	<u>5,500</u>	<u>5,500</u>	<u>5,382</u>	<u>118</u>
Totals				
OPERATIONAL				
Building expenses	6,875	6,875	5,074	1,801
Election expense	250	250	151	99
Office expenses	300	300	1,737	(1,437)
Conservation education	1,200	1,200	1,729	(529)
Cost sharing	2,000	2,000	-	2,000
Training and workshops	250	250	854	(604)
Miscellaneous	36,075	36,075	1,129	34,946
	<u>46,950</u>	<u>46,950</u>	<u>10,674</u>	<u>36,276</u>
Totals				
Total expenditures				
	<u>\$ 73,450</u>	<u>\$ 73,450</u>	<u>\$ 27,838</u>	<u>\$ 45,612</u>
Excess revenues over expenditures			<u>\$ 64,087</u>	<u>\$ (34,747)</u>

STATE OF NEW MEXICO
 CABALLO SOIL AND WATER CONSERVATION DISTRICT
 STATEMENT OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (CASH BASIS)
 WATERSHED FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actuals	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Mil levy	\$ -	\$ -	\$ 1,980	\$ 1,980
Interest income	-	-	20	20
	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>2,000</u>
Total revenues	-	-	2,000	2,000
Expenditures				
Administrative	-	-	-	-
Miscellaneous	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess revenues over expenditures			<u>\$ 2,000</u>	<u>\$ 2,000</u>

**DEPARTMENT OF FINANCE AND ADMINISTRATION
LOCAL GOVERNMENT DIVISION
BUDGET AND FINANCE BUREAU**

SOIL AND WATER CONSERVATION DISTRICT QUARTERLY FINANCIAL REPORT

I HEREBY CERTIFY THAT THE CONTENTS IN THIS REPORT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

S.W.C.D.: Caballo SWCD
Period Ending: 6/30/15

Susan Downs

FUND	Fund Number	UNAUDITED BEGINNING CASH BALANCE @ July 1	INVESTMENTS (If used in the daily operations)	REVENUES TO DATE	NET TRANSFERS	EXPENDITURES TO DATE	BOOK BALANCE END OF PERIOD
GENERAL FUND	101	181,340.00	0.00	92,267.17	0.00	27,155.37	246,451.80
INTERGOVERNMENTAL GRANTS	218	0.00	0.00	0.00	0.00	0.00	0.00
OTHER	299	29,370.00	0.00	1,650.57	0.00	0.00	31,020.57
DEBT SERVICE	400	0.00	0.00	0.00	0.00	0.00	0.00
GRAND TOTAL		210,710.00	0.00	93,917.74	0.00	27,155.37	277,472.37

\$277,472.37
(sum check)

USER NOTES:

Note: any cells with blue or red can be used. All other cells are locked.

SUBMIT TO LOCAL GOVERNMENT DIVISION NO LATER

REVENUES	CURRENT QUARTER	YEAR TO DATE	APPROVED BUDGET	% OF BUDGET
General Fund 101				
Property Tax - Current Year	19,878.24	70,998.54	60,000.00	1.18
Property Tax - Delinquent	0.00	0.00	0.00	-
Property Tax - Penalty & Interest	0.00	0.00	0.00	-
Oil and Gas - Equipment	0.00	0.00	0.00	-
Oil and Gas - Production	0.00	0.00	0.00	-
Total Interest income From Bank Accounts and CDs	30.63	107.58	50.00	2.15
Hazardous Fuels Income	0.00	0.00	0.00	-
Grass Seed and or Tree Sales	0.00	0.00	0.00	-
Book Sales	0.00	0.00	0.00	-
Rent Revenue	0.00	0.00	0.00	-
Brush Control Materials	0.00	0.00	0.00	-
Noxious Weed Program	0.00	0.00	0.00	-
Conservation Sale Items	0.00	0.00	0.00	-
State Allotments	737.04	14,740.81	13,000.00	1.13
Miscellaneous	1,491.00	6,420.24	6,500.00	0.99
	0.00	0.00	0.00	-
	0.00	0.00	0.00	-
	0.00	0.00	0.00	-
TOTAL GENERAL FUND REVENUES	22,136.91	92,267.17	79,550.00	1.16
Intergovernmental Grants 218				
University Grants	0.00	0.00	0.00	-
Federal Grants	0.00	0.00	0.00	-
State Grants	0.00	0.00	0.00	-
Local Grants	0.00	0.00	0.00	-
Private Grants	0.00	0.00	0.00	-
Legislative Funding	0.00	0.00	0.00	-
Miscellaneous	0.00	0.00	0.00	-
	0.00	0.00	0.00	-
TOTAL GRANT REVENUES	0.00	0.00	0.00	-
Other 299				
Contract Services	0.00	0.00	0.00	-
Educational Income	0.00	0.00	0.00	-
Charges for Services	0.00	0.00	0.00	-
Capital Outlay Funded	0.00	0.00	0.00	-
Project Income	0.00	0.00	0.00	-
Emergency Watershed Protection Program	0.00	0.00	0.00	-
Project Income	0.00	0.00	0.00	-
Project Expenses Income	0.00	0.00	0.00	-
Silent Auctions	0.00	0.00	0.00	-
Miscellaneous	3.89	1,650.57	1,510.00	1.09
	0.00	0.00	0.00	-
TOTAL OTHER 299	3.89	1,650.57	1,510.00	1.09
Debt Service 400				
General Obligation Bonds				
General Obligation - (Property Tax)	0.00	0.00	0.00	-
Investment Income	0.00	0.00	0.00	-
Other - Misc	0.00	0.00	0.00	-
Bond Proceeds	0.00	0.00	0.00	-
Revenue Bonds:	0.00	0.00	0.00	-
Revenue Bonds - GRT	0.00	0.00	0.00	-
Investment Income	0.00	0.00	0.00	-
Revenue Bonds - Other	0.00	0.00	0.00	-
Miscellaneous (NMFA, BOF, etc.):				
Investment Income	0.00	0.00	0.00	-
Loan Revenue	0.00	0.00	0.00	-
Miscellaneous	0.00	0.00	0.00	-
	0.00	0.00	0.00	-
TOTAL DEBT SERVICE REVENUES	0.00	0.00	0.00	-
GRAND TOTALS REVENUES- CURRENT QTR	22,140.80	93,917.74	81,060.00	1.16

NOTE: If this report is for the first quarter year to date will be the same as the current quarter.

SWCD:

Susan Downs

Period Ending: 6/30/15

EXPENDITURES	CURRENT QUARTER	YEAR TO DATE	APPROVED BUDGET	% OF BUDGET
GENERAL FUND 101				
Personnel Services, Salaries including Benefits	3,712.79	11,336.23	21,000.00	0.54
GRT Taxes	0.00	0.00	0.00	-
Mileage and Per Diem	395.26	1,007.10	1,500.00	0.67
Fees and Services	0.00	0.00	0.00	-
Office Expense	112.00	726.39	300.00	2.42
Building Expenses (e.g. rent/maintenance)	0.00	1,290.22	4,375.00	0.29
Supplies	0.00	0.00	0.00	-
Election Expense	151.34	151.34	250.00	0.61
Education expense	200.00	200.00	1,200.00	0.17
Vehicle Expense (Insurance, gas, maintenance)	0.00	0.00	0.00	-
Advertising, Public Relations (e.g. newsletter)	0.00	0.00	0.00	-
Annual Audit Expenses	0.00	2,925.00	3,000.00	0.98
Dues and Board Fees	1,100.00	1,400.00	1,000.00	1.40
Field Supplies (e.g. Salt Cedar Mechanical Removal)	0.00	0.00	0.00	-
Postage Expense	0.00	0.00	0.00	-
Cost Sharing Expense	0.00	0.00	2,000.00	-
Brush Control Expenses	0.00	0.00	0.00	-
Training and Workshops	344.30	854.30	250.00	3.42
Contractual Services Expenses	0.00	0.00	0.00	-
Utilities (Electricity, Natural Gas, Propane, Water, Sewer)	1,487.53	4,236.96	2,500.00	1.69
Miscellaneous (e.g. Chipper Expense)	149.25	3,027.83	35,175.00	0.09
	0.00	0.00	0.00	-
	0.00	0.00	0.00	-
	0.00	0.00	0.00	-
TOTAL GENERAL FUND EXPENDITURES	7,652.47	27,155.37	72,550.00	0.37
Intergovernmental Grants Expenditures 218				
University Grants	0.00	0.00	0.00	-
Federal Grants	0.00	0.00	0.00	-
State Grants	0.00	0.00	0.00	-
Local Grants	0.00	0.00	0.00	-
Private Grants	0.00	0.00	0.00	-
Legislative Funding	0.00	0.00	0.00	-
Miscellaneous	0.00	0.00	0.00	-
	0.00	0.00	0.00	-
Total Grant Expenditures	0.00	0.00	0.00	-
Other Expenditures 299				
Contract Services	0.00	0.00	0.00	-
Educational Income	0.00	0.00	0.00	-
Charges for Services	0.00	0.00	0.00	-
Capital Outlay Funded	0.00	0.00	0.00	-
Project Income	0.00	0.00	0.00	-
Emergency Watershed Protection Program	0.00	0.00	0.00	-
Project Income	0.00	0.00	0.00	-
Project Expenses Income	0.00	0.00	0.00	-
Silent Auctions	0.00	0.00	0.00	-
Miscellaneous	0.00	0.00	900.00	-
	0.00	0.00	0.00	-
Total Other Expenditures	0.00	0.00	900.00	-
Debt Service 400				
General Obligation Bonds				
General Obligation Exp. (Property Tax)	0.00	0.00	0.00	-
Investment Income Exp	0.00	0.00	0.00	-
Other Exp - Misc	0.00	0.00	0.00	-
Bond Proceeds Exp	0.00	0.00	0.00	-
Revenue Bonds:	0.00	0.00	0.00	-
Revenue Bonds - GRT Exp	0.00	0.00	0.00	-
Investment Income Exp	0.00	0.00	0.00	-
Revenue Bonds Exp - Other	0.00	0.00	0.00	-
Miscellaneous (NMFA, BOF, etc.):	0.00	0.00	0.00	-
Investment Income Exp.	0.00	0.00	0.00	-
Loan Revenue Exp	0.00	0.00	0.00	-
Miscellaneous Exp	0.00	0.00	0.00	-
	0.00	0.00	0.00	-
Total Debt Service Expenditures	0.00	0.00	0.00	-
TOTAL EXPENDITURES Current Quarter	7,652.47	27,155.37	73,450.00	0.37

NOTE: If this report is for the first quarter year to date it will be the same as the current quarter.

BUDGETED TRANSFERS * OTHER FINANCING SOURCES/ USES	Current Quarter	Year to Date
Transfers In Fund 101 (e.g. 500)	0.00	0.00
Transfers In Fund 218	0.00	0.00
Transfers In Fund 299	0.00	0.00
Transfers In Fund 400	0.00	0.00
A SUB-TOTAL	0.00	0.00
Transfers Out Fund 101 (e.g. 500)	0.00	0.00
Transfers Out Fund 218	0.00	0.00
Transfers Out Fund 299	0.00	0.00
Transfers Out Fund 400	0.00	0.00
B SUB-TOTAL	0.00	0.00
A - B Total Net Transfers	\$ -	\$ -
Note:	The A-B Total Net Transfers must always equal zero.(0).	
<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
CABALLO SOIL AND WATER CONSERVATION DISTRICT
Schedule of Findings and Responses
Year ended June 30, 2015

STATUS OF PRIOR YEAR FINDING

No prior year findings.

EXIT CONFERENCE

An exit conference was held on September 24, 2015 with Susan Downs, Administrative Assistant, and Pat Emery, Board Secretary/Treasurer, Caballo Soil and Water Conservation District. Representing Beasley, Mitchell & Co., LLP was Clark Goding, Audit Manager and Avi Chetry, Audit Staff Accountant.