
State of New Mexico
Canadian River Soil and Water Conservation District

Independent Accountants' Report on
Applying Agreed-Upon Procedures
June 30, 2011

Sandra Rush
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STATE OF NEW MEXICO
CANADIAN RIVER SOIL AND WATER CONSERVATION DISTRICT

Official Roster
For the Year Ended June 30, 2011

Board of Directors

Tommy Wallace
Larry Perkins
Glenn Briscoe
Robert D Bruce
Katie Whitson

Chairman
Vice Chairman
Secretary
Supervisor
Supervisor

Staff

Lou Briscoe

District Manager

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STATE OF NEW MEXICO
CANADIAN RIVER SOIL AND WATER CONSERVATION DISTRICT

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Independent Accountants' Report On Applying Agreed-Upon Procedures

Tommy Wallace, Chairperson
Canadian River Soil and Water Conservation District
and
Honorable Hector H Balderas
New Mexico State Auditor

I have performed the procedures enumerated below for the Canadian River Soil and Water Conservation District (CCSWCD), for the year ended June 30, 2011. The CCSWCD 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 CRSWCD through the Office of the New Mexico State Auditor. The CRSWCD'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, I 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**

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

- a) The CRSWCD has two checking accounts and three certificate of deposit accounts and utilizes QuickBooks to record cash transactions. All bank reconciliations are performed on a timely basis and all bank statements were complete and on-hand for the entire year.
- b) Bank account balances did not exceed uninsured limits as of June 30, 2011 and, therefore, pledged collateral was not required on any bank account at the end of the year.

2. **Capital Assets**

Procedures

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

Findings

CRSWCD does maintain a capital assets inventory listing and, did perform an annual inventory as required by Section 12-6-10 NMSA 1978.

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.

Test 50% of the total amount of revenues for 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

- a) Analytical review and test of actual revenue compared to budgeted revenue for the year for each revenue type revealed no exceptions.
- b) Amounts recorded on QuickBooks general ledger did agree with deposit tickets, other supporting documentation provided and the bank statements, without any exceptions.
- c) Amounts were properly recorded on cash basis as to classification, amount and period per review of supporting documentation.

4. **Expenditures**

Procedures

Select a sample of cash disbursements and test at least 25 transactions and 50% of 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 check clearing amount (cancelled checks not returned), 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

- a) My tests of transactions revealed that amounts recorded as disbursed agreed to supporting documentation, with no exceptions. Amount paid, payee, date and description agreed with the vendor's invoice, purchase order, contract and check clearing amount, as appropriate.
- b) Disbursements were properly authorized and approved in compliance with the legal requirements and established policies and procedures.
- c) 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 (1.4.4 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, test significant items for the following attribute:

- 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 CRSWCD utilizes QuickBooks to record cash transactions. The results of our tests are as follows:

- a) No journal entries were made for the year.
- b) The CRSWCD has procedures that require journal entries to be reviewed.

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

- 1) Reviewed the minutes and correspondence, to verify that the original budget and subsequent budget adjustments were approved by the local public body's governing body and DFA-LGD.
- b) Total actual expenditures did not exceed the final budget at the total fund level, the legal level of budgetary control.

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 (1) (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.

I was 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. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the information and use of the Canadian River Soil and Water Conservation District, the New Mexico State Auditor's Office and the DFA-LGD and is not intended to be and should not be used by anyone other than those specified parties.

Sandra Rush CPA

Sandra Rush, CPA, PC
November 29, 2011

STATE OF NEW MEXICO
 CANADIAN RIVER SOIL AND WATER CONSERVATION DISTRICT

Schedule of Revenues and Expenses - Budget and Actual (Non GAAP Basis)
 For the Year Ended June 30, 2011

| | Budgeted Amounts | | Actuals | Variance Favorable (Unfavorable) |
|---|------------------|-----------------|------------------|--|
| | Original | Final | | |
| Revenues: | | | | |
| CRRRP Administration income | 25,025 | 25,025 | 21,838 | (3,187) |
| Grass drill rent | 1,000 | 1,000 | 3,623 | 2,623 |
| Interest income | 1,000 | 1,000 | 915 | (85) |
| Miscellaneous | - | - | 0 | 0 |
| NMDA funding | 9,000 | 9,000 | 9,436 | 436 |
| Tree planter | 50 | 50 | 50 | 0 |
| Tree sales | 12,000 | 12,000 | 17,065 | 5,065 |
| Total revenues | 48,075 | 48,075 | 52,927 | 4,852 |
| Cash balance budgeted | - | - | - | - |
| Total revenues and cash balance budgeted | 48,075 | 48,075 | 52,927 | 4,852 |
| Expenses: | | | | |
| Advertising | 175 | 175 | 260 | (85) |
| Audit | 4,600 | 4,600 | - | 4,600 |
| Awards / special events | 500 | 500 | 184 | 316 |
| Bond | 150 | 150 | 131 | 19 |
| Dues | 1,500 | 1,500 | 1,500 | 0 |
| Election | 50 | 50 | 0 | 50 |
| Grass drill parts | 750 | 750 | 1,019 | (269) |
| Governmental gross receipts tax | 800 | 800 | 667 | 133 |
| Information / education / proomotion | 300 | 300 | 710 | (410) |
| Insurance | 1,000 | 1,000 | 1,000 | 0 |
| Mileage | 3,000 | 3,000 | 2,953 | 47 |
| Office supplies | 200 | 200 | 104 | 96 |
| Payroll tax | 465 | 465 | 448 | 17 |
| Postage | 125 | 125 | 132 | (7) |
| Projects | 14,200 | 14,200 | 2,038 | 12,162 |
| Registration | 500 | 500 | 350 | 150 |
| Trees drip weed barrier | 7,850 | 7,850 | 17,610 | (9,760) |
| Wages | 6,080 | 6,080 | 5,200 | 880 |
| Total expenses | 42,245 | 42,245 | 34,306 | 7,939 |
| Excess revenues over (under) expenses | \$ 5,830 | \$ 5,830 | \$ 18,621 | \$ 12,791 |

STATE OF NEW MEXICO
CANADIAN RIVER SOIL AND WATER CONSERVATION DISTRICT

Exit Conference
Year Ended June 30, 2011

EXIT CONFERENCE

The report contents were discussed at an exit conference held on November 29, 2011 with the following in attendance:

Canadian River Soil and Water Conservation District

Katie Whitson, Board of Supervisors member
Lou Brisco, District Manager

Accounting Firm

Sandra Rush, CPA