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State of New Mexico  
Canadian River Soil and Water Conservation District

Independent Accountants' Report on  
Applying Agreed-Upon Procedures  
June 30, 2014

Sandra Rush  
Certified Public Accountant, PC

1101 E Llano Estacado  
Clovis, New Mexico 88101

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STATE OF NEW MEXICO  
CANADIAN RIVER SOIL AND WATER CONSERVATION DISTRICT

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For the Year Ended June 30, 2014

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STATE OF NEW MEXICO  
CANADIAN RIVER SOIL AND WATER CONSERVATION DISTRICT

Official Roster  
For the Year Ended June 30, 2014

Board of Directors

Tommy Wallace  
Larry Perkins  
Glenn Briscoe  
Robert D Bruce  
Tonya Hodges

Chairman  
Vice Chairman  
Secretary  
Supervisor  
Supervisor

Staff

Lou Briscoe

District Manager

# *Sandra Rush*

*Certified Public Accountant PC*

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*1101 E Llano Estacado Clovis, New Mexico*

*88101 575-763-2245*

## 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 (CRSWCD), for the year ended June 30, 2014. The CRSWCD 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. My 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) Random test of bank reconciliations revealed the reconciliations were accurate and agreed with the QuickBooks general ledger and with the quarterly financial reports submitted to DFA-LGD.
- c) Bank account balances did not exceed uninsured limits as of June 30, 2014 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 a sample of the total 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 agrees 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 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 canceled 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 13-1-199 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) The tests of transactions revealed that amounts recorded as disbursed agreed to supporting documentation. 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 13-1-199 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**

### **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

- a) 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.
- c) Schedule of Revenue and Expenses - Budget and Actual (Non GAAP Basis) page 5

## 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 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 Office of the State Auditor, the New Mexico Legislature, 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 PC  
Clovis New Mexico  
September 10, 2014

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, 2014

	Budgeted Amounts		Actuals	Variance Favorable (Unfavorable)
	Original	Final		
Revenues:				
CRRRP administration income	\$ 20,000	\$ 20,000	\$ 16,536	\$ (3,464)
Grass drill rental	3,050	3,050	3,094	44
Interest income	525	525	657	132
State allocation	10,000	10,000	12,907	2,907
Miscellaneous income	-	-	821	821
Trees, drip, weed barrier sales	6,000	6,000	4,115	(1,885)
Total revenues	39,575	39,575	38,130	(1,445)
Cash balance budgeted	42,820	42,820	42,820	-
Total revenues and cash balance budgeted	82,395	82,395	80,950	(1,445)
Expenses:				
Advertising / awards / special events	300	452	452	-
Audit	4,642	4,642	4,541	101
Clerk's salary	6,900	7,172	7,172	-
Dues	2,125	2,125	900	1,225
Election expenses	200	200	-	200
Equipment repairs and maintenance	2,000	777	325	452
Fidelity bond	150	150	131	19
Governmental gross receipts tax	300	300	290	10
Information / education / promotion	925	925	705	220
Insurance	1,000	1,000	1,000	-
Mileage / per diem	7,000	7,000	3,141	3,859
Office equipment / supplies	550	550	375	175
Postage	250	250	194	56
Projects expenses	4,500	4,500	1,825	2,675
Trees, drip, weed barrier expenses	3,000	3,799	3,799	-
Total expenses	33,842	33,842	24,850	8,992
Excess revenues and cash balance budgeted over (under) expenses	\$ 48,553	\$ 48,553	\$ 56,100	\$ 7,547



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.

Lou Briscoe

S.W.C.D.: Canadian River SWCD  
 Period Ending: 7/30/2014-CORRECTED

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	42,820.00	98,923.00	38,129.00	0.00	24,854.00	155,018.00
INTERGOVERNMENTAL GRANTS	218	155,018.00	0.00	1,125,087.00	0.00	573,661.00	706,444.00
OTHER	299	0.00	0.00	0.00	0.00	0.00	0.00
DEBT SERVICE	400	0.00	0.00	0.00	0.00	0.00	0.00
<b>GRAND TOTAL</b>		<b>197,838.00</b>	<b>98,923.00</b>	<b>1,163,216.00</b>	<b>0.00</b>	<b>598,515.00</b>	<b>861,462.00</b>

USER NOTES:

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

Net Transfer + Transfer from Checking Account to Investment Account

\$861,462.00  
 (sum check)

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SUBMIT TO LOCAL GOVERNMENT DIVISION NO LATER THAN ONE MONTH AFTER THE CLOSE OF EACH QUARTER.

SWCD:

Canadian River SWCD

Period Ending: 6/30/14

REVENUES	CURRENT QUARTER	YEAR TO DATE	APPROVED BUDGET	% OF BUDGET
<b>General Fund 101</b>				
Property Tax - Current Year	0.00	0.00	0.00	-
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	181.00	657.00	525.00	1.25
Hazardous Fuels Income	0.00	0.00	0.00	-
Grass Seed and or Tree Sales	1,582.00	4,115.00	6,000.00	0.69
Book Sales	0.00	0.00	0.00	-
Rent Revenue	1,403.00	3,093.00	3,050.00	1.01
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	645.00	12,907.00	10,000.00	1.29
Miscellaneous	0.00	821.00	0.00	-
CanadianRiver Riparian RestorationnProject Adm. Inc.	0.00	16,536.00	20,000.00	0.83
	0.00	0.00	0.00	-
	0.00	0.00	0.00	-
<b>TOTAL GENERAL FUND REVENUES</b>	<b>3,811.00</b>	<b>38,129.00</b>	<b>39,575.00</b>	<b>0.96</b>
<b>Intergovernmental Grants 218</b>				
Uniyersity 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	-
WTB Grants	0.00	1,125,087.00	1,125,087.00	1.00
<b>TOTAL GRANT REVENUES</b>	<b>0.00</b>	<b>1,125,087.00</b>	<b>1,125,087.00</b>	<b>1.00</b>
<b>Other 299</b>				
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	0.00	-
	0.00	0.00	0.00	-
<b>TOTAL OTHER 299</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-</b>
<b>Debt Service 400</b>				
<b>General Obligation Bonds</b>				
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	-
<b>Revenue Bonds:</b>	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.):	0.00	0.00	0.00	-
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	-
<b>TOTAL DEBT SERVICE REVENUES</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-</b>
<b>GRAND TOTALS REVENUES- CURRENT QTR</b>	<b>3,811.00</b>	<b>1,163,216.00</b>	<b>1,164,662.00</b>	<b>1.00</b>

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

SWCD:

Canadian River SWCD

Period Ending: 6/30/11

EXPENDITURES	CURRENT QUARTER	YEAR TO DATE	APPROVED BUDGET	% OF BUDGET
<b>GENERAL FUND 101</b>				
Personnel Services, Salaries including Benefits	1,824.00	7,173.00	6,900.00	1.04
GRT Taxes	71.00	290.00	300.00	0.97
Mileage and Per Diem	648.00	3,140.00	7,000.00	0.45
Fees and Services	0.00	0.00	0.00	-
Office Expense	0.00	375.00	400.00	0.94
Building Expenses (e.g. rent/maintenance)	0.00	0.00	0.00	-
Supplies	0.00	0.00	0.00	-
Election Expense	0.00	0.00	200.00	-
Education expense	0.00	704.00	925.00	0.76
Vehicle Expense (Insurance, gas, maintenance)	0.00	0.00	0.00	-
Advertising, Public Relations (e.g. newsletter)	0.00	452.00	300.00	1.51
Annual Audit Expenses	0.00	4,541.00	4,642.00	0.98
Dues and Board Fees	0.00	900.00	2,125.00	0.42
Field Supplies (e.g. Salt Cedar Mechanical Removal)	0.00	0.00	0.00	-
Postage Expense	46.00	194.00	250.00	0.78
Cost Sharing Expense	0.00	0.00	0.00	-
Brush Control Expenses	0.00	0.00	0.00	-
Training and Workshops	0.00	0.00	0.00	-
Contractual Services Expenses	0.00	0.00	0.00	-
Utilities (Electricity, Natural Gas, Propane, Water, Sewer)	0.00	0.00	0.00	-
Miscellaneous (e.g. Chipper Expense)	19.00	325.00	2,000.00	0.16
Insurance (Risk Management & Surety Bond)	0.00	1,131.00	1,150.00	0.98
Tree, Drip, Weed Barrier Expense	567.00	3,799.00	3,000.00	1.27
Project Expenses	294.00	1,825.00	4,500.00	0.41
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>3,469.00</b>	<b>24,849.00</b>	<b>33,692.00</b>	<b>0.74</b>
<b>Intergovernmental Grants Expenditures 218</b>				
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	-
WTB Grants	57,124.00	573,661.00	1,125,086.00	0.51
<b>Total Grant Expenditures</b>	<b>57,124.00</b>	<b>573,661.00</b>	<b>1,125,086.00</b>	<b>0.51</b>
<b>Other Expenditures 299</b>				
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	0.00	-
	0.00	0.00	0.00	-
<b>Total Other Expenditures</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-</b>
<b>Debt Service 400</b>				
<b>General Obligation Bonds</b>				
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	-
<b>Revenue Bonds:</b>				
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.):				
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	-
<b>Total Debt Service Expenditures</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-</b>
<b>TOTAL EXPENDITURES Current Quarter</b>	<b>60,593.00</b>	<b>598,510.00</b>	<b>1,158,778.00</b>	<b>0.52</b>

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

STATE OF NEW MEXICO  
CANADIAN RIVER SOIL AND WATER CONSERVATION DISTRICT

Findings and Responses  
Year Ended June 30, 2014

Prior Year Finding: Expenditures - Gross Receipts Tax Resolved

Current Year Finding: None

EXIT CONFERENCE

The report contents were discussed at an exit conference held on August 1, 2014 with the following in attendance:

Canadian River Soil and Water Conservation District

Tommy Wallace, Board of Supervisors Chairman  
Lou Brisco, District Manager

Accounting Firm

Sandra Rush, CPA

STATE OF NEW MEXICO  
 CANADIAN RIVER SOIL AND WATER CONSERVATION DISTRICT

Schedule of Findings and Responses  
 For the Year Ended June 30, 2014

	<u>Type of Finding</u>	<u>Prior Year Finding Number</u>	<u>Current Year Finding Number</u>
Current year findings None			
Follow-up on prior year findings Resolved	C, D	2013-1	N/A

- \* Legend for findings
- A. Fraud
  - B. Illegal act(s)
  - C. Internal control deficiency(ies)
  - D. Noncompliance