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State of New Mexico  
Carrizozo Soil and Water Conservation District

Independent Accountants' Report on  
Applying Agreed-Upon Procedures  
June 30, 2018

Sandra Rush CPA PC  
1101 E Llano Estacado  
Clovis, New Mexico 88101

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STATE OF NEW MEXICO  
CARRIZOZO SOIL AND WATER CONSERVATION DISTRICT

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For the Year Ended June 30, 2018

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STATE OF NEW MEXICO  
CARRIZOZO SOIL AND WATER CONSERVATION DISTRICT

Official Roster  
For the Year Ended June 30, 2018

Board of Directors

Melvin Johnson  
Jim Grider  
Steve Harkey  
Gray Gallacher  
Barbie Roper  
Lee Sultemeier  
Kendal Wilson

Chairman  
Vice Chairman  
Secretary/Treasurer  
Member  
Member  
Member  
Member

Staff

Karyn Hazen

District Manager

# *Sandra Rush*

*Certified Public Accountant PC*

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*1101 E Llano Estacado Clovis, New Mexico*

*88101 575-763-2*

## Independent Accountants' Report On Applying of Tier 4 Agreed-Upon Procedures

Wayne A Johnson  
New Mexico State Auditor  
Board of Directors  
Carrizozo Soil and Water Conservation District  
Carrizozo, New Mexico

I have performed the procedures enumerated below for the Carrizozo Soil and Water Conservation District (the District), for the year ended June 30, 2018. 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 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, 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 Results of Procedures Performed are as follows.

### **Procedures**

1. Verify the local public body's revenue calculation and tier determination documentation on the form provided at [www.saonm.org](http://www.saonm.org) under "Tiered System Reporting Main Page"

#### **Results of Procedures Performed**

I verified the District's revenue calculation and tier determination. No exceptions noted.

### **2. 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) Test at least 30% 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.
- 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.

#### **Results of Procedures Performed**

- a) The District has one checking account and one certificate of deposit and utilizes QuickBooks to record cash transactions. Random test of four (4) bank reconciliations revealed the reconciliations were performed timely and all bank statements were complete and on-hand.
- b) Random test of four (4) bank reconciliations revealed the reconciliations were accurate and agree with the QuickBooks general ledger and quarterly financial reports submitted to DFA-LGD.

b) Bank account balances did not exceed uninsured limits as of June 30, 2018, therefore, pledged collateral was not required on the bank account at the end of the year.

### 3. **Capital Assets**

#### **Procedures**

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

#### **Results of Procedures Performed**

The District has no capital assets therefore they do not maintain a capital asset inventory listing and were not required to perform an annual inventory as required by Section 12-6-10 NMSA 1978.

### 4. **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.

Select a sample of revenue equal to at least 30% of the total dollar amount and test 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.

#### **Results of Procedures Performed:**

a) An analytical review of prior year to current year revenue revealed no unexplained or unusual variations. The test of actual revenue compared to budgeted revenue for the year for each type of revenue revealed no exceptions.

b) Traced 16 deposits (approximately 60% of the total revenues) on the district's financial records and agreed to the supporting documentation (deposit slips and bank statements). No exceptions noted.

c) Amounts were properly recorded on a cash basis as to classification, amount and period on the District's general ledger. No exceptions noted.

### 5. **Expenditures**

#### **Procedures**

Select a sample of cash disbursements equal to at least 30% of the total dollar amount 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 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 order, 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).

## **Results of Procedures Performed**

- a) Test of 22 transactions for approximately 67% of the total expenditure amount for the fiscal year revealed that amounts recorded as disbursed agreed to the supporting documentation. The documentation agrees as to amount, payee, date and description agree to the vendor's invoice. No exceptions noted.
- b) District disbursements were authorized disbursements for the operations of the District and approved in compliance with budget, legal requirements and established policies and procedures. No exceptions noted.
- c) District maintained documentation for all its purchases to demonstrate compliance with the bid process (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 (1.41 NMAC) and Regulations Governing the Per Diem and Mileage Act (2.12.2 NMAC). No exceptions noted.

## **6. Journal Entries Procedures**

Test all non-routine journal entries, adjustment and reclassifications posted to the general ledger, for the following attributes:

- a) Journal entries appear reasonable and have supporting documentation.
- b) The local public body has policies and procedures that require journal entries to be reviewed and there is evidence the reviews are being performed.

## **Results of Procedures Performed**

The District maintained its financial records (QuickBooks) on the cash basis. The District did not post any journal entries to adjust or reclassify any of its receipts or disbursements.

## **7 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 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 whether 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.

## **Results of Procedures Performed**

- a) The District prepared and submitted an approved budget by the District for approval to DFA-LGD for the year ended June 30, 2018. Subsequent budget adjustments were approved by the board.
- b) Determined that total actual expenditures did not exceed the final budget at the legal level of budgetary control for the District.
- c) A schedule of revenues and expenditures was prepared from the District's records on a cash budgetary basis. This schedule is included herein. The District submitted quarterly reports to DFA-LGD for the fiscal year.

## **8. 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) NMAC.

## Results of Procedures Performed

No exceptions were found as a result of applying the procedures described above (regardless of materiality) indicating any fraud, illegal acts, noncompliance or any internal control deficiencies.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. I was not engaged to, and did not conduct an examination or a review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Tier Verification, Cash, Capital Assets, Revenue, Expenditures, Journal Entries, Budget, Capital Outlay Appropriations or Other of the Carrizozo Soil and Water Conservation District as of and for the year ended June 30, 2018, included in the accompanying information provided to me by management of the Carrizozo Soil and Water Conservation District. Accordingly, I do not express such an opinion or conclusion. 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 Carrizozo Soil and Water Conservation District, the New Mexico State Auditor's Office and the 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 the specified parties.



Sandra Rush CPA PC  
Clovis New Mexico  
August 2, 2018

STATE OF NEW MEXICO  
 CARRIZOZO SOIL AND WATER CONSERVATION DISTRICT

Schedule of Revenues and Expenses - Budget and Actual (Non GAAP Basis)  
 For the Year Ended June 30, 2018

	Budgeted Amounts		Actuals	Variance
	Original	Final		Favorable (Unfavorable)
<b>Revenues</b>				
Property tax	\$ 74,000	\$ 74,000	\$ 73,189	\$ (811)
State allotments	15,000	15,000	13,641	(1,359)
Wildlife escape ramps	16,000	16,000	900	(15,100)
Interest	900	900	435	(465)
Other	1,300	1,300	-	(1,300)
<b>Total revenues</b>	<b>107,200</b>	<b>107,200</b>	<b>88,165</b>	<b>(19,035)</b>
<b>Cash balance budgeted</b>	<b>150,185</b>	<b>150,185</b>	<b>150,185</b>	<b>-</b>
<b>Total revenues and cash balance budgeted</b>	<b>257,385</b>	<b>257,385</b>	<b>238,350</b>	<b>(19,035)</b>
<b>Expenses</b>				
Salaries and benefits	28,470	28,470	19,103 x	9,367
Mileage and per diem	4,000	4,000	876 x	3,124
Office	750	750	309 x	441
Building	1,400	1,400	1,057 x	343
Supplies	500	500	-	500
Advertising	500	500	166 x	334
Annual audit	4,800	4,800	4,652 x	148
Dues and board fees	3,400	3,400	2,377 x	1,023
Field supplies and equipment	2,500	2,500	61 x	2,439
Postage	250	250	108 x	142
Cost share	50,000	50,000	38,311 x	11,689
Insurance	1,600	1,600	1,094 x	506
Training and workshops	1,600	1,600	870 x	730
Contractual services expense	6,500	6,500	1,250 x	5,250
Miscellaneous expense	20,000	20,000	5,413 x	14,587
Wildlife escape ramps	13,000	13,000	1,092 x	11,908
Accountant	1,600	1,600	1,034 x	566
<b>Total expenses</b>	<b>140,870</b>	<b>140,870</b>	<b>77,773</b>	<b>63,097</b>
<b>Other sources and (uses)</b>				
Upper Hondo SWCD	3,000	3,000	3,000	-
Water Quality & Conservation revenue	30,000	30,000	29,982	(18)
Water Quality & Conservation expenses	(30,000)	(30,000)	(28,482)	(1,518)
<b>Total other sources and (uses)</b>	<b>-</b>	<b>-</b>	<b>1,500</b>	<b>1,500</b>
<b>Excess revenues and cash balance budgeted over (under) expenses</b>	<b>\$ 116,515</b>	<b>\$ 116,515</b>	<b>\$ 162,077</b>	<b>\$ 45,562</b>



DEPARTMENT OF FINANCE AND ADMINISTRATION (DFA)  
 LOCAL GOVERNMENT DIVISION (LGD)  
 BUDGET AND FINANCE BUREAU  
 SOIL AND WATER CONSERVATION DISTRICT  
 QUARTERLY YEAR TO DATE FINANCIAL REPORT

PLEASE SUBMIT TO LOCAL GOVERNMENT DIVISION NOT LATER  
 THAN ONE MONTH AFTER THE CLOSE OF EACH QUARTER.

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

Karyn Hazen

Soil and Water Conservation District: CARRIZOZO

Period Ending: 06/30/18

YEAR TO DATE TRANSACTIONS PER BOOKS QUARTERLY REPORT

Fund #	FUND (1)	CASH BALANCE PER BOOKS July 1, 2017 (2)	REVENUES TO DATE (3)	NET TRANSFERS (4)	EXPENDITURES TO DATE (5)	BOOK BALANCE END OF PERIOD (6)	ADD: OUTSTANDING CHECKS (7)	LESS: DEPOSITS IN TRANSIT (8)	ADJUSTMENTS (9)	ADJUSTED BALANCE END OF PERIOD (10)	BALANCE PER BANK STATEMENTS (11)	DIFFERENCE (12)
101	GENERAL FUND	\$ 150,185.24	91,165	-	77,774	164,641	6,500			171,141	171,141	(0)
218	INTERGOVERNMENTAL GRANTS		-	-	-	-				-	-	-
299	OTHER		-	-	-	-				-	-	-
400	DEBT SERVICE		-	-	-	-				-	-	-
	<b>GRAND TOTAL</b>	<b>\$ 150,185</b>	<b>\$ 91,165</b>	<b>\$ -</b>	<b>\$ 77,774</b>	<b>\$ 164,641</b>	<b>\$ 6,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 171,141</b>	<b>\$ 171,141</b>	<b>\$ (0)</b>

NOTE: DETAIL PAGES will complete the Recap except for Cash Per Books on July 1.

\*USER NOTES: (Please describe what any reserve requirements are used for).

SWCD:  
CARRIZOZO

Period Ending: 6/30/2018

REVENUES	CURRENT QUARTER	YEAR TO DATE	APPROVED BUDGET	% OF BUDGET
<b>General Fund 101</b>				
Total Property Tax Production To Date	27235	73189	74000	0.989036351
Total Interest From Bank Accounts and CDs	0	435	900	0.483244444
Upper Hondo SWCD Loan	3000	3000	3000	1
Other Income	0	0	1300	0
Wildlife Escape Ramps	450	900	16000	0.05625
State Allotments	0	13641	15000	0.909420667
Brush Control Materials	0	0	0	
Noxious Weed Program	0	0	0	
Conservation Sale Items	0	0	0	
Miscellaneous	0	0	0	
	0	0	0	
	0	0	0	
<b>TOTAL GENERAL FUND REVENUES</b>	<b>\$ 30,685</b>	<b>\$ 91,165</b>	<b>\$ 110,200</b>	<b>0.827267877</b>
<b>Intergovernmental Grants 218</b>				
State or University Grants	0	0	0	
Federal Grants	0	0	0	
State Grants	0	0	0	
Local Grants	0	0	0	
Private Grants	0	0	0	
Legislative Funding	0	0	0	
Miscellaneous (e.g. NMDA)	0	0	0	
<b>TOTAL GRANT REVENUES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>
<b>Other 299</b>				
Contract Services	0	0	0	
Educational Income	0	0	0	
Charges for Services	0	0	0	
Capital Outlay Funded	0	0	0	
Project Income-Conservation & Environmental	0	0	0	
Emergency Watershed Protection Program	0	0	0	
Project Income - Reloan Program	0	0	0	
Project Expenses Income	0	0	0	
Silent Auctions	0	0	0	
Miscellaneous	0	0	0	
<b>OTHER FUND 299 FROM DETAIL TAB</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL OTHER 299</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>
<b>Debt Service 400</b>				
<b>General Obligation Bonds</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
General Obligation - (Property Tax)	0	0	0	
Investment Income	0	0	0	
Other - Misc	0	0	0	
<b>Revenue Bonds</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Bond Proceeds	0	0	0	
Revenue Bonds - GRT	0	0	0	
Investment Income	0	0	0	
Revenue Bonds - Other	0	0	0	
Miscellaneous (NMFA, BOF, etc.)	0	0	0	
Investment Income	0	0	0	
Loan Revenue	0	0	0	
<b>TOTAL DEBT SERVICE REVENUES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>
<b>GRAND TOTALS REVENUES- CURRENT QTR</b>	<b>\$ 30,685</b>	<b>\$ 91,165</b>	<b>\$ 110,200</b>	<b>0.827267877</b>

NOTE: If this report is for the first quarter YEAR TO DATE will be the same as the CURRENT QUARTER.

SVCD:  
CARRIZOZO

Period Ending: 6/30/2018

EXPENDITURES	CURRENT QUARTER	YEAR TO DATE	APPROVED BUDGET	% OF BUDGET
<b>GENERAL FUND 101</b>				
Personnel Services, (Salaries and Benefits)	4,525	19,103	28,470	0.67099754
Mileage and Per Diem	0	876	4,000	0.219075
Office Expenses	35	309	750	0.41166667
Building Expenses (e.g. rent/maintenance)	265	1,057	1,400	0.75512857
Utilities (Electricity, Natural Gas, Propane, Water, Sewer)	0	0	0	
Telephone	0	0	0	
Postage Expense	0	108	250	0.43264
Office Supplies and Other Expenses	0	0	500	0
Office Furniture and Equipment	0	0	0	
Advertising and Public Relations (e.g. newsletter)	0	166	500	0.332
Training, Workshops & Education expense	720	870	1,600	0.54375
Annual Audit/Financial Report Expenses	0	4,652	4,800	0.96917917
Dues and Board Fees	281	2,377	3,400	0.69906471
Accountant	332	1,034	1,600	0.6462
Field Supplies & Equipment	61	61	2,500	0.024396
Cost Sharing Expense	14,813	38,311	50,000	0.7662228
Wildlife Escape Ramps	0	1,092	13,000	0.084
Contractual Fees and Other Services (Comm. Proj.)	600	1,250	6,500	0.19230769
Insurance	194	1,094	1,600	0.68375
Miscellaneous (e.g. Meetings)	1,166	5,413	20,000	0.270651
	0	0	0	
	0	0	0	
	0	0	0	
<b>Total General Fund Expenditures</b>	<b>\$ 22,992</b>	<b>\$ 77,774</b>	<b>\$ 140,870</b>	<b>0.55209512</b>
<b>Intergovernmental Grants Expenditures 218</b>				
State or University Grants	0	0	0	
Federal Grants	0	0	0	
State Grants	0	0	0	
Local Grants	0	0	0	
Private Grants	0	0	0	
Legislative Funding	0	0	0	
Other	0	0	0	
<b>Total Grant Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Other Expenditures 299</b>				
Loan Payments	0	0	0	
Capital Outlay Expenses/Capital Projects	0	0	0	
Conservation and Environmental Control Expenses	0	0	0	
Bonding	0	0	0	
All Other Insurance	0	0	0	
Loan Program Expenses including Loan Repayments	0	0	0	
Miscellaneous Expenses	0	0	0	
<b>OTHER FUND 299 FROM DETAIL TAB</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total Other Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Debt Service 400</b>				
Bond Payments Principal	0	0	0	
Bond Payments- Interest	0	0	0	
Other Debt Service	0	0	0	
<b>Total Debt Service Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>TOTAL EXPENDITURES Current Quarter</b>	<b>\$ 22,992</b>	<b>\$ 77,774</b>	<b>\$ 140,870</b>	<b>0.55209512</b>

NOTE: If this report is for the first quarter YEAR TO DATE will be the same as the CURRENT QUARTER.



STATE OF NEW MEXICO  
CARRIZOZO SOIL AND WATER CONSERVATION DISTRICT  
Schedule of Findings and Responses  
Year Ended June 30, 2018

Prior Year Finding            None

Current Year Finding        None

STATE OF NEW MEXICO  
CARRIZOZO SOIL AND WATER CONSERVATION DISTRICT  
Exit Conference  
Year Ended June 30, 2018

Exit Conference

The report contents were discussed at an exit conference held on August 2, 2018 with the following in attendance:

Carrizozo Soil and Water Conservation District:

Steve Harkey, Secretary / Treasurer  
Karyn Hazen, District Manager

Audit Firm:

Sandra Rush, CPA

STATE OF NEW MEXICO  
 CARRIZOZO SOIL AND WATER CONSERVATION DISTRICT

Schedule of Summary of Findings  
 For the Year Ended June 30, 2018

<i>Agency Number</i>	<i>Agency Name</i>	<i>Agency Type</i>	<i>Audit Fiscal Year</i>	<i>Financial Statement Opinion</i>	<i>Finding Number</i>	<i>New or Repeat Finding</i>	<i>Year Finding Originated</i>	<i>Classification of Finding</i>	<i>Category of Finding</i>	<i>Summary of Finding (250 characters max.)</i>	<i>If the Finding is attributable to a Component Unit, Name of Component Unit</i>
8005	Carrizozo Soil and Water Conservation District	Soil & Water Conservation Districts		AUP - No 2018 Opinion	No Findings			No findings			