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State of New Mexico  
Carrizozo Soil and Water Conservation District

Independent Accountants' Report on  
Applying Agreed-Upon Procedures  
June 30, 2019

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

Table of Contents  
For the Year Ended June 30, 2019

	<u>Page</u>
Table of Contents	i
Official Roster	ii
Independent Accountants' Report on Applying of Tier 4 Agreed-Upon Procedures	1 - 4
Schedule of Revenues and Expenses - Budget and Actual (Non GAAP Basis)	5
Department of Finance and Administration Soil and Water Conservation District Quarterly Financial Report Fourth Quarter June 30, 2019	6 - 9
Findings and Responses	10
Exit Conference	10

STATE OF NEW MEXICO  
CARRIZOZO SOIL AND WATER CONSERVATION DISTRICT

Official Roster  
For the Year Ended June 30, 2019

Board of Directors

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

Chairman  
Vice Chairman  
Secretary/Treasurer  
Member  
Member  
Member  
Member

Staff

Karyn Hazen

District Manager

# Sandra Rush

Certified Public Accountant PC

1101 E Llano Estacado Clovis, New Mexico 88101 575-763-2

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

Brian S. Colón  
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, 2019. 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 six (6) bank reconciliations revealed the reconciliations were performed timely and all bank statements were complete and on-hand.
- b) Random test of six (6) 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, 2019; 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 3 deposits (approximately 71% 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 17 transactions for approximately 43% 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, 2019. 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, 2019, 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*

Sandra Rush CPA PC  
Clovis New Mexico  
August 21, 2019

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, 2019

	Budgeted Amounts		Actuals	Variance
	Original	Final		Favorable (Unfavorable)
<b>Revenues</b>				
Mill levy	\$ 86,000	\$ 86,000	\$ 72,448	\$ (13,552)
State allotments	15,000	15,000	14,185	(815)
Wildlife escape ramps	16,000	16,000	270	(15,730)
Interest	900	900	662	(238)
Other	2,300	1,300	1,868	568
<b>Total revenues</b>	<b>120,200</b>	<b>119,200</b>	<b>89,433</b>	<b>(29,767)</b>
Cash balance budgeted	251,953	251,953	251,953	-
<b>Total revenues and cash balance budgeted</b>	<b>372,153</b>	<b>371,153</b>	<b>341,386</b>	<b>(29,767)</b>
<b>Expenses</b>				
Accountant	1,600	1,600	1,094	506
Advertising	500	500	257	243
Annual audit	4,800	4,800	4,652	148
Building	1,400	1,400	1,048	352
Contractual services expense	6,500	6,500	400	6,100
Cost share	50,000	50,000	6,803	43,197
Dues and board fees	3,600	3,400	3,551	(151)
Field supplies and equipment	2,500	2,500	535	1,965
Insurance	1,600	1,600	900	700
Mileage and per diem	4,000	4,000	649	3,351
Miscellaneous expense	20,000	20,000	12,807	7,193
Office	750	750	389	361
Postage	250	250	63	187
Salaries and benefits	28,470	28,470	19,370	9,100
Supplies	500	500	-	500
Training and workshops	1,600	1,600	-	1,600
Wildlife escape ramps	12,800	13,000	-	13,000
<b>Total expenses</b>	<b>140,870</b>	<b>140,870</b>	<b>52,518</b>	<b>88,352</b>
<b>Other sources and (uses)</b>				
Debt Service				
Principal	(3,000)	(3,000)	(1,000)	2,000
Interest	-	-	(154)	(154)
<b>Total other sources and (uses)</b>	<b>(3,000)</b>	<b>(3,000)</b>	<b>(1,154)</b>	<b>1,846</b>
<b>Excess revenues and cash balance budgeted over (under) expenses</b>	<b>\$ 228,283</b>	<b>\$ 227,283</b>	<b>\$ 287,714</b>	<b>\$ 60,431</b>



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

SPECIAL DISTRICT FINANCIAL QUARTERLY REPORT FORM

STATE FISCAL YEAR: JULY 1, 2018- JUNE 30, 2019

Special District: Carrizozo  
 Quarter Ending: 6/30/2019

QUARTERLY YEAR TO DATE TRANSACTIONS PER BOOKS

FUND TITLE	FUND NUMBER	UNAUDITED BEGINNING CASH BALANCE ON JULY 1	INVESTMENTS, CDs, LGIP, BONDS, SAVINGS	REVENUES YEAR TO DATE	NET TRANSFERS (GRAND TOTAL = 0)	EXPENDITURES YEAR TO DATE	BOOK BALANCE END OF PERIOD	ADD OUTSTANDING CHECKS	LESS DEPOSITS IN TRANSIT	ADJUSTMENTS	ADJUSTED BALANCE END OF PERIOD	BALANCE PER BANK STATEMENTS	DIFFERENCE, MUST EQUAL ZERO
GENERAL FUND - Operating (GF) - MAINT	101	164,641	87,312	89,433	-	53,671	287,715	1,105	-	-	288,821	288,821	(0)
INTERGOVERNMENTAL GRANTS	218	-	-	-	-	-	-	-	-	-	-	-	-
OTHER	299	-	-	-	-	-	-	-	-	-	-	-	-
DEBT SERVICE	400	-	-	-	-	-	-	-	-	-	-	-	-
<b>GRAND TOTAL</b>		<b>\$ 164,641</b>	<b>\$ 87,312</b>	<b>\$ 89,433</b>	<b>\$ -</b>	<b>\$ 53,671</b>	<b>\$ 287,715</b>	<b>\$ 1,105</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 288,821</b>	<b>\$ 288,821</b>	<b>\$ (0)</b>

9



SPECIAL DISTRICT:

Carrizozo

Quarter Ending: 6/30/19

	July-September	August-December	January - March	April - June			YEAR TO DATE	APPROVED BUDGET	YEAR TO DATE % OF BUDGET
<b>EXPENDITURES</b>	<b>FIRST QUARTER</b>	<b>SECOND QUARTER</b>	<b>THIRD QUARTER</b>	<b>FOURTH QUARTER</b>		<b>YEAR TO DATE</b>			
<b>General Fund 101 ( enter items below )</b>									
Advertising & Public Relations	-	154	-	103		257	500	51.34%	
building Expense	266	261	261	261		1,048	1,400	75%	
Contractual Fees & other services	-	100	100	200		400	6,500	6%	
Cost Sharing Expense	-	-	422	6,380		6,802	50,000	14%	
Mileage and per diem	-	130	142	377		649	4,000	16%	
Personnel Services	4,383	5,382	4,899	4,706		19,370	28,470	68%	
Wildlife Escape Ramps	-	-	-	-		-	13,000	0%	
Accountant	237	228	320	309		1,094	1,600	68%	
Annual Audit	-	-	4,652	-		4,652	4,800	97%	
Supplies	-	-	-	-		-	500	0%	
Dues& Board Fees	967	970	219	1,395		3,551	3,400	104%	
Training Workshops & Education	-	-	-	-		-	1,600	0%	
Field Supplies & Equipment	-	-	-	535		535	2,500	21%	
Insurance	-	-	-	900		900	1,600	56%	
Miscellaneous	1,000	5,150	6,622	1,189		13,961	20,000	70%	
Office Expenses	131	-	21	237		389	750	52%	
Postage	-	50	13	-		63	250	25%	
-	-	-	-	-		-	-	-	
-	-	-	-	-		-	-	-	
-	-	-	-	-		-	-	-	
-	-	-	-	-		-	-	-	
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>\$ 6,983</b>	<b>\$ 12,426</b>	<b>\$ 17,671</b>	<b>\$ 16,590</b>		<b>\$ 53,671</b>	<b>\$ 140,870</b>	<b>38%</b>	
<b>Intergovernmental Grants 218 ( enter items below )</b>									
-	-	-	-	-		-	-	-	
-	-	-	-	-		-	-	-	
-	-	-	-	-		-	-	-	
-	-	-	-	-		-	-	-	
-	-	-	-	-		-	-	-	
-	-	-	-	-		-	-	-	
-	-	-	-	-		-	-	-	
-	-	-	-	-		-	-	-	
<b>TOTAL INTERGOV. GRANT EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	
<b>Other 299 ( enter items below )</b>									
-	-	-	-	-		-	-	-	
-	-	-	-	-		-	-	-	
-	-	-	-	-		-	-	-	
-	-	-	-	-		-	-	-	
-	-	-	-	-		-	-	-	
-	-	-	-	-		-	-	-	
-	-	-	-	-		-	-	-	
-	-	-	-	-		-	-	-	
<b>TOTAL OTHER EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>#DIV/0!</b>	
<b>Debt Service 400</b>									
Bond Payments Principal	-	-	-	-		-	-	-	
Bond Payments- Interest	-	-	-	-		-	-	-	
Other Debt Service	-	-	-	-		-	-	-	
<b>TOTAL DEBT SERVICE EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	
<b>GRAND TOTAL EXPENDITURES</b>	<b>\$ 6,983</b>	<b>\$ 12,426</b>	<b>\$ 17,671</b>	<b>\$ 16,590</b>		<b>\$ 53,671</b>	<b>\$ 140,870</b>	<b>38.10%</b>	

SPECIAL DISTRICT: Carrizozo

Quarter Ending: 6/30/19

**DEBT SERVICE**

SPECIAL DISTRICT: Carrizozo

Fund Number: 400  
Quarter Ending: 6/30/19

(A) NAME AND TYPE	(B) DATE OF ISSUE	(C) ORIGINAL FACE AMOUNT OF ISSUE	(D) OUTSTANDING PRINCIPAL AMOUNT (Unpaid)	(E) COUPON RATE OF INTEREST	(F) PRINCIPAL DUE	(G) INTEREST DUE
UHSWCD	5/1/2018	3,000	2,000	0.0%	1,000	154
	0/00/0000	-	-	0.0%	-	-
	0/00/0000	-	-	0.0%	-	-
	0/00/0000	-	-	0.0%	-	-
	0/00/0000	-	-	0.0%	-	-
	0/00/0000	-	-	0.0%	-	-
	0/00/0000	-	-	0.0%	-	-
	0/00/0000	-	-	0.0%	-	-
<b>TOTAL</b>		3,000	2,000		1,000	154

**INSTRUCTIONS - SCHEDULE OF BONDS AND LONG TERM LOANS**

Column (A): Describe the Purpose of the DEBT along with its NAME AND TYPE.

Column (B): Enter the Date of Issue.

Column (C): Enter the Original Amount of the Issue.

Column (D): Enter Unpaid Principal Balance for Fiscal Year.

Column (F): Enter Principal Amount To Be Paid, during Fiscal Year.

Column (G): Enter Interest Amount To Be Paid, during Fiscal Year.

TOTAL PRINCIPAL & INTEREST PAID 1,154



STATE OF NEW MEXICO  
CARRIZOZO SOIL AND WATER CONSERVATION DISTRICT  
Schedule of Findings and Responses  
Year Ended June 30, 2019

Prior Year Finding        None

Current Year Finding     None

Exit Conference

The report contents were discussed at an exit conference held on August 21, 2019 with the following in attendance:

Carrizozo Soil and Water Conservation District:

Steve Harkey, Secretary / Treasurer  
Karyn Hazen, District Manager

Audit Firm:

Sandra Rush, CPA