

**STATE OF NEW MEXICO
CARRIZOZO SOIL AND WATER
CONSERVATION DISTRICT
Independent Accountants' Report on
Applying Agreed-Upon Procedures
Year Ended June 30, 2011**

Ronny Fouts, CPA
CERTIFIED PUBLIC ACCOUNTANT
Melrose, NM 88124

STATE OF NEW MEXICO
Carrizozo Soil and Water Conservation District
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June 30, 2011

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**STATE OF NEW MEXICO
CARRIZOZO SOIL AND
WATER CONSERVATION DISTRICT
Official Roster
June 30, 2011**

Board of Supervisors

Melvin Johnson
Jim Grider
Steve Harkey
Gray Gallacher
Jack Allen Davidson

Chairman
Vice-Chairman
Secretary/Treasurer
Member
Member

Staff

Barbie Roper

Program Director

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Melvin Johnson, Chairman and
The District Board
Carrizozo Soil & Water Conservation District
and Honorable Hector H. Balderas New Mexico State Auditor

We have performed the procedures enumerated below for the Carrizozo Soil & Water Conservation District for the year ended June 30, 2011. The Carrizozo Soil & Water Conservation 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 Carrizozo Soil & Water Conservation District through the Office of the New Mexico State Auditor. The Carrizozo Soil & Water Conservation 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, 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

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:

The Carrizozo Soil & Water Conservation District has one bank account and utilizes Quickbooks to record transactions. All bank reconciliations are performed within days of receiving the bank statements and all were complete and on-hand.

Random tests of bank reconciliations revealed that the reconciliations were accurate and agreed with supporting documentation and with the quarterly financial reports submitted to DFA-LGD.

2. Capital Assets

Procedures:

- (a) Verify that the local public body is performing a yearly inventory as required by Section 12-6-10 NMSA1978.

Findings:

The Carrizozo Soil & Water Conservation District performed a yearly inventory as required by Section 12-6-10 NMSA 1978 and maintains a capital asset listing.

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.
- (b) Test 50% of the total amount of revenues for the following attributes:

Amount recorded in the general ledger agrees to the supporting documentation and the bank statement. 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:

Analytical review and test of actual revenue compared to budgeted revenue for the year for each type of revenue revealed no exceptions. Amounts recorded in Quickbooks agreed with supporting documentation and the amounts were properly recorded on a cash basis as to classification, amount and period per review of supporting documentation.

4. Expenditures

Procedures:

- (a) Select a sample of cash disbursements and test the total amount of expenditures for the following attributes:
- (b) 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.

- (c) Determine that disbursements were properly authorized and approved in compliance with the budget, legal requirements and established policies and procedures.
- (d) 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:

Amounts recorded as disbursed agreed to supporting documentation. Amount paid, payee, date and description agreed with the vendor's invoice, purchase order, contract and cancelled check, as appropriate.

Disbursements were properly authorized and approved in compliance with the budget, legal requirements and established policies and procedures.

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).

5. Journal Entries

Procedures:

- (a) If non-routine journal entries, such as adjustments or reclassifications, are posted to the general ledger, test significant items for the following attributes:
- (b) Journal entries appear reasonable and have supporting documentation.
- (c) The local public body has procedures that require journal entries to be reviewed and there is evidence the reviews are being performed.

Findings:

The Carrizozo Soil & Water Conservation District utilizes Quickbooks to record cash transactions only and did not prepare journal entries.

6. Budget

Procedures:

- (a) Obtain the original fiscal year budget and all budget amendments made throughout the fiscal year and perform the following:
- (b) 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.

- (c) Determine if the total actual expenditures exceeded the final budget at the legal level of budgetary control; if so, report a compliance finding.
- (d) 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 review of the minutes revealed that the original budget was approved by the Carrizozo Soil & Water Conservation District and the DFA-LGD. There were five subsequent budget adjustments which were approved by the DFA-LGD.

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

A schedule of revenues and expenditures - budget and actual was prepared on the cash budgetary basis used by the Carrizozo Soil & Water Conservation District.

7. Other Procedures

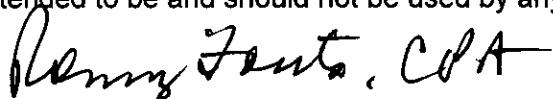
If information comes to the IPA's attention (regardless of materiality) indicating any fraud, illegal acts, noncompliance, or any internal control deficiencies, disclose in the report as required by Section, 12-6-6 NMSA 1978. The findings must include the required content per Section 2.2.2.10 (I) (3) (C)NMAC.

Findings

No exceptions were found as a result of applying the procedures described above (regardless of materiality) indicating any fraud, illegal acts, 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 Carrizozo Soil & 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.



Ronny Fouts, CPA
Melrose, New Mexico
November 19, 2012

STATE OF NEW MEXICO
VILLAGE OF HOUSE
Statement of Revenues, Expenditures, and Changes
in Cash Balance - Budget and Actual (Non-GAAP)
General Fund
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance-Favorable (Unfavorable)
	Original	Final		
Revenues:				
Property Taxes	\$ 35,000	\$ 36,848	\$ 36,848	\$ -
Interest	1,000	1,000	822	(178)
Benevolence	2,000	2,000	-	(2,000)
Salary Reimbursement	9,000	9,000	7,707	(1,293)
Wildlife Escape Ramps	-	7,490	7,490	-
Other Income	1,000	1,000	411	(589)
Legislative Funding	11,000	11,000	9,436	(1,564)
WQ&D Grant	50,000	50,000	50,000	-
WIF Grant	-	83,757	83,757	-
Total Revenues	\$ 109,000	\$ 202,095	\$ 196,471	\$ (5,624)
Expenditures:				
Personnel Services	\$ 24,450	\$ 26,429	\$ 26,429	\$ -
Board Expense	1,000	1,000	946	54
Accountant	1,000	1,000	999	1
Training and Education Expense	1,500	1,500	63	1,437
Professional Services	2,500	5,003	5,003	-
Annual Audit Expenses	2,700	2,700	-	2,700
Dues and Misc	2,500	2,635	2,421	214
Wildlife Escape Ramps	-	4,828	4,387	441
Legal Advertising, Postage & Office Supplies	1,100	1,100	637	463
Cost Sharing Expense	15,000	15,000	14,685	315
Benevolence Fund	2,000	2,000	1,200	800
Workshops	1,000	1,000	150	850
Equipment	2,000	2,000	-	2,000
Travel	2,000	2,000	1,210	790
Bonding/Liability Insurance	1,300	1,300	1,194	106
Loan Payment Upper Honda	1,222	1,222	1,222	-
Annual Awards/Legislative Meeting	1,200	1,200	747	453
Grant Expense	50,000	57,300	53,988	3,312
Total Expenditures	112,472	129,217	115,281	13,936
Excess (deficiency) of revenues over expenditures	(3,472)	72,878	81,190	8,312
Cash Balance at beginning of year	58,346	58,346	58,346	-

DEPARTMENT OF FINANCE AND ADMINISTRATION
 LOCAL GOVERNMENT DIVISION
 BUDGET AND FINANCE BUREAU
 SOIL AND WATER CONSERVATION DISTRICT QUARTERLY FINANCIAL REPORT

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.

S.W.C.D.: CARRIZOZO
 Period Ending: 06/30/11

YEAR TO DATE TRANSACTIONS PER BOOKS QUARTERLY REPORT

Fund #	FUND	CASH BALANCE PER BOOKS July 1, 2010	REVENUES TO DATE	NET TRANSFERS	EXPENDITURES 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
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
101	GENERAL FUND	47,832.00	119,180.00		107,653.00	59,359.00			(1.00)	59,358	59,358.00	-
218	INTERGOVERNMENTAL GRANTS	(69,123.00)	76,469.00		7,288.00	58.00			1.00	59.00	59.00	-
299	OTHER	-	-	-	-	-	-	-	-	-	-	-
400	DEBT SERVICE	-	-	#REF!	-	#REF!	-	-	-	#REF!	-	#REF!
	GRAND TOTAL	(21,291.00)	195,649.00	#REF!	114,941.00	\$ 59,417	-	-	-	59,417.00	59,417.00	-

NOTE: USE DETAIL PAGES FROM ANNUAL BUDGET FORM IF NEEDED.

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

- 101 ADJUSTMENT(- \$1.00) IN ROUNDING OF FORMULA
- 218 ADJUSTMENT \$1.00 IN ROUNDING OF FORMULA

REVENUES	CURRENT QUARTER	YEAR TO DATE	APPROVED BUDGET	% OF BUDGET
General Fund 101				
Property Tax - Current Year	12,665.00	36,848.00	36,848.00	1.00
Property Tax - Delinquent	-	-	-	#DIV/0!
Property Tax - Penalty & Interest	-	-	-	#DIV/0!
Oil and Gas - Equipment	-	-	-	#DIV/0!
Oil and Gas - Production	-	-	-	#DIV/0!
Total Interest income From Bank Accounts and CDs	409.00	-	1,000.00	-
Benevolence	-	-	2,000.00	-
Salary Reimbursement	-	7,707.00	9,000.00	0.86
Wildlife Escape Ramps	6,040.00	7,490.00	7,490.00	1.00
Other Income	200.00	7,699.00	1,000.00	7.70
Brush Control Materials	-	-	-	#DIV/0!
Noxious Weed Program	-	-	-	#DIV/0!
Conservation Sale Items	-	-	-	#DIV/0!
Legislative Funding	639.00	9,436.00	11,000.00	0.86
Capital Outlay Funded	-	-	-	#DIV/0!
Grants Income	7,285.00	50,000.00	50,000.00	1.00
	-	-	-	#DIV/0!
TOTAL GENERAL FUND REVENUES	27,238.00	119,180.00	118,338.00	
Intergovernmental Grants 218				
Water Trust Board	-	-	-	#DIV/0!
WQ&C Grant	-	-	-	#DIV/0!
WIF Grant	7,285.00	76,469.00	83,757.00	0.91
Local Grants	-	-	-	#DIV/0!
Private Grants	-	-	-	#DIV/0!
Legislative Funding	-	-	-	#DIV/0!
Miscellaneous	-	-	-	#DIV/0!
TOTAL GRANT REVENUES	7,285.00	76,469.00	83,757.00	0.10
Other 299				
Water Trust Board	-	-	-	#DIV/0!
WQ&C Grant	-	-	-	#DIV/0!
WIF Grant	-	-	-	#DIV/0!
Capital Outlay Funded	-	-	-	#DIV/0!
Project Income	-	-	-	#DIV/0!
Emergency Watershed Protection Program	-	-	-	#DIV/0!
Project Income	-	-	-	#DIV/0!
Project Expenses Income	-	-	-	#DIV/0!
Silent Auctions	-	-	-	#DIV/0!
Miscellaneous	-	-	-	#DIV/0!
Other Fund 299 FROM DETAIL PAGE TAB	-	-	-	#DIV/0!
TOTAL OTHER 299	-	-	-	-
Debt Service 400				
General Obligation Bonds	-	-	-	#DIV/0!
General Obligation - (Property Tax)	-	-	-	#DIV/0!
Investment Income	-	-	-	#DIV/0!
Other - Misc	-	-	-	#DIV/0!
Revenue Bonds	-	-	-	#DIV/0!
Bond Proceeds	-	-	-	#DIV/0!
Revenue Bonds - GRT	-	-	-	#DIV/0!
Investment Income	-	-	-	#DIV/0!
Revenue Bonds - Other	-	-	-	#DIV/0!
Miscellaneous (NMFA, BOF, etc.)	-	-	-	#DIV/0!
Investment Income	-	-	-	#DIV/0!
Loan Revenue	-	-	-	#DIV/0!
TOTAL DEBT SERVICE REVENUES	-	-	-	-
GRAND TOTALS REVENUES- CURRENT QTR	27,238.00	195,649.00	202,095.00	

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

SWCD:
CARRIZOZO

Period Ending: 6/30/2011

EXPENDITURES	CURRENT QUARTER	YEAR TO DATE	APPROVED BUDGET	% OF BUDGET
GENERAL FUND 101				
Personnel Services, Salaries including Benefits	9,610.00	26,090.00	26,430.00	0.99
GRT Taxes	-	-	-	#DIV/0!
Mileage and Per Diem	-	-	-	#DIV/0!
Fees and Services Expenses	-	-	-	#DIV/0!
Board Expense	85.00	946.00	1,000.00	0.95
Building Expenses (e.g. rent/maintenance)	-	-	-	#DIV/0!
Accountant	698.00	999.00	1,000.00	1.00
Election Expense	-	-	-	#DIV/0!
Training & Education Expense	-	63.00	1,500.00	0.04
Vehicle Expense (Insurance, gas, maintenance)	-	-	-	#DIV/0!
Professional Services	730.00	5,002.00	5,003.00	1.00
Annual Audit Expenses	-	-	2,700.00	-
Dues and Misc.	896.00	2,421.00	2,635.00	0.92
Wildlife Escape Ramps	3,930.00	4,387.00	4,828.00	0.91
Legal Advertising, Postage and Office Supplies	58.00	637.00	1,100.00	0.58
Cost Sharing Expense	5,685.00	14,685.00	15,000.00	0.98
Benevolence Fund	250.00	1,200.00	2,000.00	0.60
Workshops	-	150.00	1,000.00	0.15
Equipment	-	-	2,000.00	-
Travel	270.00	1,210.00	2,000.00	0.61
Bonding/Liability Insurance	194.00	1,194.00	1,300.00	0.92
Loan Payment - Upper Hondo	1,222.00	1,222.00	1,222.00	1.00
Annual Awards/Legislative Meeting	-	747.00	1,200.00	
Grant Expense	-	46,700.00	50,000.00	
TOTAL GENERAL FUND EXPENDITURES	23,628.00	107,653.00	121,918.00	
Intergovernmental Grants Expenditures 218				
Water Trust Board	-	-	-	#DIV/0!
Grant Expense	-	7,288.00	7,300.00	1.00
WQ&C Grant	-	-	-	#DIV/0!
Local Grants	-	-	-	#DIV/0!
Private Grants	-	-	-	#DIV/0!
Legislative Funding	-	-	-	#DIV/0!
Other	-	-	-	#DIV/0!
Total Grant Expenditures	-	7,288.00	7,300.00	
Other Expenditures 299				
Loan Payments	-	-	-	#DIV/0!
Capital Outlay Expenses/Capital Projects	-	-	-	#DIV/0!
Conservation and Environmental Control Expenses	-	-	-	#DIV/0!
Bonding	-	-	-	#DIV/0!
All Other Insurance	-	-	-	#DIV/0!
Loan Program Expenses Including Loan Repayments	-	-	-	#DIV/0!
Miscellaneous Expenses	-	-	-	#DIV/0!
Other Fund 299 FROM DETAIL PAGE TAB	-	-	-	#DIV/0!
Total Other Expenditures	-	-	-	#DIV/0!
Debt Service 400				
Bond Payments Principal	-	-	-	#DIV/0!
Bond Payments- Interest	-	-	-	#DIV/0!
Other Debt Service	-	-	-	#DIV/0!
Total Debt Service Expenditures	-	-	-	#DIV/0!
TOTAL EXPENDITURES Current Quarter	23,628.00	114,941.00	129,218.00	

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, 2011**

Prior Year Audit Findings

None

Current Year Findings

11-01 Audit Report Submitted Late

Condition: The audit report was not submitted to the New Mexico State Auditor's office by the due date of December 1, 2011. Report was submitted December 1, 2012.

Criteria: The New Mexico State Auditor requires public entities to submit their audit reports by December 1. If the reports are submitted late, it is considered to be an instance of noncompliance with Subsection A of 2.2.2.9 NMAC

Cause: The contract for this audit was not approved until September 13, 2012, which made it impossible to complete by December 1, 2011.

Effect: Noncompliance with state law.

Recommendation: Complete the audit contract in a timely manner.

**STATE OF NEW MEXICO
CARRIZOZO 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 19, 2012 with the following in attendance:

Carrizozo Soil and Water Conservation District

Steve Harkey, Secretary/Treasurer
Barbie Roper, Program Director

Accounting Firm

Ronny Fouts, CPA

A handwritten signature in black ink that reads "Ronny Fouts, CPA". The signature is written in a cursive, flowing style.