

**STATE OF NEW MEXICO  
CARRIZOZO SOIL AND WATER  
CONSERVATION DISTRICT  
Independent Accountants' Report on  
Applying Agreed-Upon Procedures  
Year Ended June 30, 2012**

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, 2012

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**STATE OF NEW MEXICO  
CARRIZOZO SOIL AND  
WATER CONSERVATION DISTRICT  
Official Roster  
June 30, 2012**

**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

**RONNY FOUTS**  
**CERTIFIED PUBLIC ACCOUNTANT**  
P.O. Box 425  
Melrose, NM 88124

(505) 253-4554  
Fax: (505) 253-4727

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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, 2012. 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) 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:

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:

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 cancelled 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 13-1-99 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:

If non-routine journal entries, such as adjustments or reclassifications, are posted to the general ledger, test significant items for the following attributes:

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

## 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 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, 2012

	Budgeted Amounts		Actual	Variance-Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$ 37,000	\$ 37,000	\$ 38,835	\$ 1,935
Interest	1,000	1,000	-	(1,000)
Benevolence	2,000	2,000	-	(2,000)
Salary Reimbursement	10,000	10,000	12,082	2,082
Wildlife Escape Ramps	16,000	16,000	9,045	(6,955)
Other Income	1,000	1,000	9,359	8,359
Legislative Funding	11,000	11,000	8,825	(2,175)
Upper Hondo SWCD Loan	-	3,000	3,000	-
WF Grant	-	-	-	-
<b>Total Revenues</b>	<b>\$ 78,000</b>	<b>\$ 81,000</b>	<b>\$ 81,246</b>	<b>\$ 246</b>
<b>Expenditures:</b>				
Personnel Services	\$ 30,750	\$ 30,750	\$ 22,067	\$ 8,683
Board Expense	1,200	1,200	603	597
Accountant	1,200	1,200	782	418
Training and Education Expense	1,500	1,500	-	1,500
Professional Services	4,500	4,500	-	4,500
Annual Audit Expenses	4,200	4,200	-	4,200
Dues and Misc	13,000	13,000	12,366	634
Wildlife Escape Ramps	9,000	9,000	5,093	3,907
Legal Advertising, Postage & Office Supplies	1,100	1,100	534	566
Cost Sharing Expense	15,000	15,000	14,482	518
Benevolence Fund	2,000	2,000	950	1,050
Workshops	1,000	1,000	720	280
Equipment	2,500	2,500	116	2,384
Travel	2,000	2,000	78	1,922
Bonding/Liability Insurance	1,300	1,300	1,194	106
Loan Payment Upper Hondo	1,222	1,222	1,222	-
Annual Awards/Legislative Meeting	1,200	1,200	992	208
Grant Expense	-	-	-	-
<b>Total Expenditures</b>	<b>92,672</b>	<b>92,672</b>	<b>61,199</b>	<b>31,473</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(14,672)</b>	<b>(11,672)</b>	<b>20,047</b>	<b>31,719</b>
<b>Cash Balance at beginning of year</b>	<b>59,156</b>	<b>59,156</b>	<b>59,156</b>	<b>-</b>



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: JUNE, 2012

\* *Barbara Rojas*

YEAR TO DATE TRANSACTIONS PER BOOK QUARTERLY REPORT												
FUND #	FUND	CASH BALANCE PER BOOKS July 1, 2011 (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	59,098	81,246	-	61,199	79,145	-	-	260	79,405	-	79,405
299	OTHER	58	-	-	-	58	-	-	-	58	-	58
400	DEBT SERVICE	-	-	-	-	-	-	-	-	-	-	-
	GRAND TOTAL	\$ 59,156	\$ 81,246	\$ -	\$ 61,199	\$ 79,203	\$ -	\$ -	\$ 260	\$ 79,463	\$ -	\$ 79,463

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

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

ADJUSTMENTS:

\$260 - VOIDED CHECKS AND BANK CHARGES THROUGH 4-31-12

E-mailed: 7-3-12

REVENUES	CURRENT QUARTER	YEAR TO DATE	APPROVED BUDGET	% OF BUDGET
<b>General Fund 101</b>				
Mill Levy Funds: Property Tax - Current Year	13104	38934	37000	105.23%
Property Tax - Delinquent	0	0	0	#DIV/0!
Property Tax - Penalty & Interest	0	0	0	#DIV/0!
Oil and Gas - Equipment	0	0	0	#DIV/0!
Oil and Gas - Production	0	0	0	#DIV/0!
Total Interest income (e.g. From Bank Accounts and CDs)	0	0	1000	0.00%
Benevolence	0	0	2000	0.00%
Salary Reimbursement	0	12082	10000	120.82%
Wildlife Escape Ramps	765	9045	16000	56.53%
Other Income	32	9359	1000	935.93%
Brush Control Materials	0	0	0	#DIV/0!
Upper Hondo SWCD Loan	3000	3000	3000	100.00%
Conservation Sale Items	0	0	0	#DIV/0!
Legislative Funding	0	8825	11000	80.23%
Capital Outlay Funded	0	0	0	#DIV/0!
Grants Income	0	0	0	#DIV/0!
Miscellaneous	0	0	0	#DIV/0!
<b>TOTAL GENERAL FUND REVENUES</b>	<b>16,902</b>	<b>81,246</b>	<b>81,000</b>	
<b>OTHER FINANCING SOURCES</b>				
Transfers In	0	0	0	#DIV/0!
Transfers (Out)	0	0	0	#DIV/0!
<b>TOTAL - OTHER FINANCING SOURCES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>n/a</b>
<b>Other (Non Operational) 299</b>				
Water Trust Board	0	0	0	#DIV/0!
District Building (e.g. rent)	0	0	0	#DIV/0!
Interstate Streams Loan Program Revenue	0	0	0	#DIV/0!
Emergency Watershed Protection Program Revenue	0	0	0	#DIV/0!
Miscellaneous	0	0	0	#DIV/0!
<b>TOTAL OTHER 299</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>OTHER FINANCING SOURCES</b>				
Transfers In	0	0	0	#DIV/0!
Transfers (Out)	0	0	0	#DIV/0!
<b>TOTAL - OTHER FINANCING SOURCES</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Debt Service 400</b>				
<b>General Obligation Bonds</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>#DIV/0!</b>
General Obligation - (Property Tax)	0	0	0	#DIV/0!
Investment Income	0	0	0	#DIV/0!
Other - Misc	0	0	0	#DIV/0!
<b>Revenue Bonds</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>#DIV/0!</b>
Bond Proceeds	0	0	0	#DIV/0!
Revenue Bonds - GRT	0	0	0	#DIV/0!
Investment Income	0	0	0	#DIV/0!
Revenue Bonds - Other	0	0	0	#DIV/0!
Miscellaneous (NMFA, BOF, etc.)	0	0	0	#DIV/0!
Investment Income	0	0	0	#DIV/0!
Loan Revenue	0	0	0	#DIV/0!
<b>TOTAL DEBT SERVICE REVENUES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>OTHER FINANCING SOURCES</b>				
Transfers In	0	0	0	#DIV/0!
Transfers (Out)	0	0	0	#DIV/0!
<b>TOTAL - OTHER FINANCING SOURCES</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>GRAND TOTALS REVENUES- CURRENT QTR</b>	<b>\$ 16,902</b>	<b>\$ 81,246</b>	<b>\$ 81,000</b>	

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

SWCD:  
CARRIZOZO

Period Ending: JUNE, 2012

EXPENDITURES	CURRENT QUARTER	YEAR TO DATE	APPROVED BUDGET	% OF BUDGET
<b>GENERAL FUND 101</b>				
Personnel Services, Salaries including Benefits	4,351	22,067	30,750	0.717611
GRT Taxes	0	0	0	#DIV/0!
Mileage and Per Diem	0	0	0	#DIV/0!
Fees and Services Expenses (e.g. supervisors)	0	0	0	#DIV/0!
Board Expense	173	603	1,200	0.502292
Building Expenses (e.g. rent/maintenance/telephone)	0	0	0	#DIV/0!
Accountant	236	782	1,200	0.65175
Election Expense	0	0	0	#DIV/0!
Training and Education Expense	0	0	1,500	0
Professional Services	0	0	4,500	0
Advertising, Public Relations (e.g. newsletter, awards)	0	0		#DIV/0!
Annual Audit Expenses	0	0	4,200	0
Dues and Misc	516	12,366	13,000	0.95126
Wildlife Escape Ramps	1,335	5,093	9,000	0.565833
Legal Advertising, Postage and Office Supplies	36	534	1,100	0.485391
Cost Sharing Expense	11,482	14,482	15,000	0.96548
Benevolence Fund	0	950	2,000	0.475
Workshops	520	720	1,000	0.72
Equipment	116	116	2,500	0.04644
Travel	0	78	2,000	0.039
Bonding/Liability Insurance	194	1,194	1,300	0.918462
Grants Expense	0	0	0	#DIV/0!
Loan Payment - Upper Hondo	1,222	1,222	1,222	1
Annual Awards/Legislative Meeting	0	992	1,200	0.826717
<b>TOTAL</b>	<b>20,182</b>	<b>61,199</b>	<b>92,672</b>	
<b>Other Expenditures 299</b>				
Water Trust Board	0	0	0	#DIV/0!
District Building	0	0	0	#DIV/0!
Interstate Streams Loan Program Expense	0	0	0	#DIV/0!
Emergency Watershed Protection Program Expense	0	0	0	#DIV/0!
Miscellaneous	0	0	0	#DIV/0!
<b>Total Other Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>#DIV/0!</b>
<b>Debt Service 400</b>				
Bond Payments Principal	0	0	0	#DIV/0!
Bond Payments- Interest	0	0	0	#DIV/0!
Other Debt Service	0	0	0	#DIV/0!
<b>Total Debt Service Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>#DIV/0!</b>
<b>TOTAL EXPENDITURES Current Quarter</b>	<b>\$ 20,182</b>	<b>\$ 61,199</b>	<b>\$ 92,672</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, 2012**

**Prior Year Audit Findings**

None

**Current Year Findings**

None

**STATE OF NEW MEXICO  
CARRIZOZO SOIL AND WATER CONSERVATION DISTRICT  
Exit Conference  
Year Ended June 30, 2012**

**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