

STATE OF NEW MEXICO
CARRIZOZO SOIL AND WATER
CONSERVATION DISTRICT
Independent Accountants' Report on
Applying Agreed-Upon Procedures
Year Ended June 30, 2016

Ronny Fouts, CPA
CERTIFIED PUBLIC ACCOUNTANT
Melrose, NM 88124

**STATE OF NEW MEXICO
CARRIZO SOIL AND
WATER CONSERVATION DISTRICT
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June 30, 2016**

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STATE OF NEW MEXICO
CARRIZOZO SOIL AND
WATER CONSERVATION DISTRICT
Official Roster
June 30, 2016

Board of Supervisors

Melvin Johnson
Jim Grider
Steve Harkey
Gray Gallacher
Lee Sultemeier

Chairman
Vice-Chairman
Secretary/Treasurer
Member
Member

Staff

Karyn Hazen

Program Director

RONNY FOUTS
CERTIFIED PUBLIC ACCOUNTANT

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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 Timothy Keller, New Mexico State Auditor

We have performed the procedures enumerated below for the Carrizozo Soil & Water Conservation District for the year ended June 30, 2016. 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. Verify the local public body's revenue calculation and tier determination documented on the form provided at www.osanm.org under "Tiered System Reporting Main Page."

Based on a review of the District's general ledger, total revenues for the fiscal year ending June 30, 2016 were \$70,185 and the District did not receive a capital outlay appropriation. Based on this information, the District was properly determined to be a Tier 4 entity for FY16 since their total revenues were between \$50,000 and \$250,000 and they did not receive a capital outlay appropriation.

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) 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. The items tested were 50% the transactions and the dollar amount was \$73,015.

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. The amounts tested was 50% and the dollar amount was \$30,405.

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, New Mexico State Legislature, 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 4, 2016

STATE OF NEW MEXICO
 CARRIZOZO SOIL AND WATER CONSERVATION DISTRICT
 Statement of Revenues, Expenditures, and Changes
 in Cash Balance - Budget and Actual (Non-GAAP)
 General Fund
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance-Favorable (Unfavorable)
	Original	Final		
Revenues:				
Property Taxes	\$ 60,302	\$ 60,302	\$ 63,759	\$ 3,457
Interest	-	-	-	-
Miscellaneous	-	-	-	-
WTB	5,000	5,000	-	(5,000)
Wildlife Escape Ramps	16,000	16,000	6,685	(9,315)
Other Income	1,300	1,300	168	(1,132)
State NMSU Allotments	15,000	15,000	14,674	(326)
Upper Hondo SWCD Loan	3,000	3,000	-	(3,000)
Water Quality & Conservation Grant	50,000	50,000	-	(50,000)
Total Revenues	\$ 150,602	\$ 150,602	\$ 85,286	\$ (65,316)
Expenditures:				
Personnel Services	\$ 28,470	\$ 28,470	\$ 17,957	\$ 10,513
Mileage and Per Diem	3,000	3,000	1,285	1,715
Office Expenses	750	750	403	347
Buiding Expenses	1,300	1,300	1,091	209
Supplies	500	500	-	500
Advertising and Public Relations	500	500	395	105
Annual Audit Expenses	3,325	3,325	3,225	100
Dues and Board Expense	3,400	3,400	2,076	1,324
Field Supplies	2,500	2,500	810	1,690
Postage Expense	250	250	103	147
Cost Sharing Expense	40,000	40,000	17,322	22,678
Training and Workshops	1,600	1,600	1,435	165
Contractual Services Expenses	6,500	6,500	-	6,500
Miscellaneous	20,000	20,000	6,785	13,215
WTB	-	-	-	-
Wildlife Escape Ramps	13,000	13,000	2,157	10,843
Accountant	1,600	1,600	1,600	-
Total Expenditures	126,695	126,695	56,644	70,051
Excess (deficiency) of revenues over expenditures	23,907	23,907	28,642	4,735
Cash Balance at beginning of year	94,487	94,487	94,487	-

APPROVED PURSUANT TO
SECTION 6-6-2 NMSA 1978
LOCAL GOVERNMENT DIVISION

DATE 8/21/15

BY Susan M. Ludman
DEPARTMENT OF FINANCE AND ADMINISTRATION

SOIL AND WATER CONSERVATION DISTRICT:
Cartizo SWCD

Fiscal Year 2015 - 2016

FUND TITLE	FUND NUMBER	UNAUDITED BEGINNING CASH BALANCE @ JULY 1 (forecasted for interim)	INVESTMENTS	BUDGETED REVENUES	BUDGETED TRANSFERS	BUDGETED EXPENDITURES	ESTIMATED ENDING CASH BALANCE	(OPTIONAL)* LOCAL RESERVE REQUIREMENTS UNAVAILABLE FOR BUDGETING	ADJUSTED ENDING CASH BALANCE
GENERAL FUND - Operating (GF)	101	94,486.98	0.00	145,601.80	0.00	126,595.00	113,493.78	10,549.78	102,944.20
INTERGOVERNMENTAL GRANTS	218	0.00	0.00	0.00	0.00	0.00	#VALUE!	0.00	#VALUE!
OTHER	299	0.00	0.00	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	0.00	0.00
Grand Total		94,486.98	0.00	145,601.80	0.00	126,595.00	#VALUE!	10,549.58	#VALUE!

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

Form revised: 05/16/14 (DFM/LGD/BFB)

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

SOIL AND WATER CONSERVATION DISTRICT
 Carizozo SWCD

Fiscal Year 2015 - 2016

REVENUES	FY 2014	FY 2015	FY 2016
	ACTUALS, YEAR TO DATE 6/30/13	ACTUALS, YEAR TO DATE 6/30/2015	BUDGET REQUEST
General Fund 101			
Property Tax - Current Year	42,140.44	46,014.45	60,301.80
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 From Bank Accounts and CDs	0.00	0.00	0.00
Upper Hondo SWCD Loan	0.00	3,000.00	3,000.00
Grass Seed and or Tree Sales	0.00	0.00	0.00
Book Sales	0.00	0.00	0.00
Rent Revenue	0.00	0.00	0.00
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	12,906.91	14,740.81	15,000.00
Miscellaneous	0.00	0.00	0.00
Water Quality & Conservation Grant	0.00	0.00	50,000.00
Wildlife Escape Ramps	9,660.00	5,760.00	16,000.00
Other Income	97.50	175.00	1,300.00
WTB	750.00	495.00	0.00
TOTAL GENERAL FUND REVENUES	65,554.85	70,185.26	145,601.80
Intergovernmental Grants 218			
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
TOTAL GRANT REVENUES	0.00	0.00	0.00
Other 299			
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
TOTAL OTHER	0.00	0.00	0.00
Debt Service 400			
General Obligation Bonds			
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
Revenue Bonds: 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.) Investment Income	0.00	0.00	0.00
Loan Revenue	0.00	0.00	0.00
Miscellaneous	0.00	0.00	0.00
TOTAL DEBT SERVICE REVENUES	0.00	0.00	0.00

SOIL AND WATER CONSERVATION DISTRICT
 Carizozo SWCD

Fiscal Year 2015 - 2016

EXPENDITURES	FY 2014 ACTUALS YEAR TO DATE 6/30/2014	FY 2015 ACTUALS YEAR TO DATE 6/30/2015	FISCAL YEAR 2016 BUDGET REQUEST
GENERAL FUND 101			
Personnel Services, Salaries including Benefits	16,644.53	19,616.87	28,470.00
GRT Taxes	0.00	0.00	0.00
Mileage and Per Diem	1,022.06	2,043.57	3,000.00
Fees and Services	0.00	0.00	0.00
Office Expenses	541.32	502.02	750.00
Building Expenses (e.g. rent/maintenance)	1,039.89	1,024.80	1,300.00
Supplies	0.00	0.00	500.00
Election Expense	0.00	0.00	0.00
Education expense	0.00	0.00	0.00
Vehicle Expense (Insurance, gas, maintenance)	0.00	0.00	0.00
Advertising and Public Relations (e.g. newsletter)	377.54	485.24	500.00
Annual Audit Expenses	2,500.00	3,225.00	3,225.00
Dues and Board Fees	2,040.22	1,667.92	3,400.00
Field Supplies and Equipment	0.00	0.00	2,500.00
Postage Expense	110.86	150.00	250.00
Cost Sharing Expense	12,838.32	28,167.16	40,000.00
Brush Control Expenses	0.00	0.00	0.00
Training and Workshops	525.00	1,035.00	1,600.00
Contractual Services Expenses	1,586.43	0.00	6,500.00
Utilities (Electricity, Natural Gas, Propane, Water, Sewer)	0.00	0.00	0.00
Miscellaneous (e.g. Chipper Expense)	5,862.77	6,623.43	20,000.00
WTB	750.00	16.05	0.00
Wildlife Escape Ramps	5,599.17	3,447.83	13,000.00
Accountant	1,421.63	1,110.70	1,600.00
Total General Fund Expenditures	52,859.74	69,115.59	126,595.00
Intergovernmental Grants Expenditures 218			
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
Total Grant Expenditures	0.00	0.00	0.00
Other Expenditures 299			
Loan Payments	0.00	0.00	0.00
Capital Outlay Expenses/Capital Projects	0.00	0.00	0.00
Conservation and Environmental Control Expenses	0.00	0.00	0.00
Bonding	0.00	0.00	0.00
All Other Insurance	0.00	0.00	0.00
Loan Program Expenses including Loan Repayments	0.00	0.00	0.00
Miscellaneous Expenses	0.00	0.00	0.00
Total Other Expenditures	0.00	0.00	0.00
Debt Service 400			
Bond Payments Principal	0.00	0.00	0.00
Bond Payments- Interest	0.00	0.00	0.00
Miscellaneous Debt Service	0.00	0.00	0.00
Total Debt Service Expenditures	0.00	0.00	0.00
GRAND TOTAL EXPENDITURES	52,859.74	69,115.59	126,595.00

**STATE OF NEW MEXICO
CARRIZOZO SOIL AND WATER CONSERVATION DISTRICT
Schedule of Findings and Responses
Year Ended June 30, 2016**

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, 2016

EXIT CONFERENCE

The report contents were discussed at an exit conference held on November 4, 2016 with the following in attendance:

Carrizozo Soil and Water Conservation District

Steve Harvey, Sec/Treas
Karyn Hazen, 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 style with a horizontal line extending from the end of the name.