
State of New Mexico
Carrizozo Soil and Water Conservation District

Independent Accountants' Report on
Applying Agreed-Upon Procedures
June 30, 2017

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

STATE OF NEW MEXICO
CARRIZOZO SOIL AND WATER CONSERVATION DISTRICT

Table of Contents
For the Year Ended June 30, 2017

	<u>Page</u>
Table of Contents	i
Official Roster	ii
Independent Accountants' Report on Applying 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, 2017	6 - 8
Findings and Responses	9
Exit Conference	10
Schedule of Summary of Findings	11

STATE OF NEW MEXICO
CARRIZOZO SOIL AND WATER CONSERVATION DISTRICT

Official Roster
For the Year Ended June 30, 2017

Board of Directors

Melvin Johnson
Jim Grider
Steve Harkey
Gray Gallacher
Barbie Roper
Lee Sulzemeier
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 Agreed-Upon Procedures

Timothy Keller
New Mexico State Auditor
Melvin Johnson, Chairperson
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, 2017. 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 findings 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 under "Tiered System Reporting Main Page"

Finding

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 reporting 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.

Findings

- 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, 2017, 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.

Finding

The District does maintain a capital assets inventory listing and performed an annual inventory as required by Section 12-6-10 NMSA 1978.

4. Revenue

Procedures

Identify the nature and amount of revenue from all 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.

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 revenues 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 statements.

c) Proper recording of classification, amounts, 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:

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 91% 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).

Findings

a) Test of 16 transactions for approximately 52% 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.

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.

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 13-1-99 NMSA 1978) and State purchase regulations.

6. Journal Entries Procedures

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

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.

Finding

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 receipt 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, actual or modified accrual basis) for each individual fund.

Findings

a) The District prepared and submitted an approved budget by the District for approval to DFA-LGD for the year ended June 30, 2017. 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 report 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 finding must include the required contents per Section 2.2.2.10(L) NMAC.

Findings

No exceptions or information were noted because of applying the procedures described above (regardless of materiality) indicating fraud or illegal acts.

I was not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion in accordance with AT-C 215.35. Accordingly, I do not express such an opinion. 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 the Carrizozo Soil and Water Conservation District, the New Mexico State Auditor's Office, DFA-Local Government Division and Legislative Finance Committee and is not intended to be and should not be used by anyone other than those specified parties.



Sandra Rush CPA PC

Clovis New Mexico

September 15, 2017

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, 2017

	Budgeted Amounts		Actuals	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Property tax	\$ 63,614	\$ 74,000	\$ 73,724	\$ (276)
Upper Hondo SWCD	3,000	3,000	-	(3,000)
State allotments	15,000	15,000	13,699	(1,301)
Wildlife escape ramps	16,000	16,000	5,070	(10,930)
State grants	7,749	7,749	7,361	(388)
Other income	1,300	1,300	160	(1,140)
Total revenues	106,663	117,049	100,014	(17,035)
Cash balance budgeted	<u>123,129</u>	<u>123,129</u>	<u>123,129</u>	<u>-</u>
Total revenues and cash balance budgeted	229,792	240,178	223,143	(17,035)
Expenses				
Salaries and benefits	28,470	28,470	18,600	9,870
Mileage and per diem	3,000	4,000	3,440	560
Office expense	750	750	357	393
Building expense	1,300	1,300	1,251	49
Supplies	500	500	-	500
Advertising	500	500	277	223
Annual audit expense	3,325	3,325	3,233	92
Dues and board fees	3,400	3,400	2,148	1,252
Field supplies and equipment	2,500	2,500	55	2,445
Postage expense	250	250	-	250
Cost share expense	40,000	40,000	21,073	18,927
Insurance	1,600	1,600	1,094	506
Training and workshops	1,600	1,600	1,440	160
Contractual services expense	6,500	6,500	900	5,600
Miscellaneous expense	20,000	19,000	9,386	9,614
Wildlife escape ramps	13,000	13,000	2,059	10,941
Accountant	1,600	1,600	652	948
State grants	7,749	7,749	6,993	756
Total expenses	136,044	136,044	72,958	63,086
Excess revenues and cash balance budgeted over (under) expenses	<u>\$ 93,748</u>	<u>\$ 104,134</u>	<u>\$ 150,185</u>	<u>\$ 46,051</u>

DEPARTMENT OF FINANCE AND ADMINISTRATION
 LOCAL GOVERNMENT DIVISION
 BUDGET AND FINANCE BUREAU
 SPECIAL DISTRICT FINANCIAL QUARTERLY REPORT FORM

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.

Special District: Cartizozo SWCD
 Quarter Ending: 6/30/2017
 Prepared by: Karyn Hazen

(signature line)

QUARTERLY YEAR TO DATE TRANSACTIONS PER BOOKS

FUND TITLE	FUND NUMBER	UNAUDITED BEGINNING CASH BALANCE @ 7/1/2016	INVESTMENTS	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
GENERAL FUND - Operating (GF)	101	\$123,129.43	\$0.00	100,013.91	-	72,958.10	150,185.24	705.46	-	-	150,890.70	150,890.70	-
INTERGOVERNMENTAL GRANTS	218	\$0.00	\$0.00	-	-	-	-	-	-	-	-	-	-
OTHER	299	\$0.00	\$0.00	-	-	-	-	-	-	-	-	-	-
DEBT SERVICE	400	\$0.00	\$0.00	-	-	-	-	-	-	-	-	-	-
Grand Total		\$ 123,129.43	\$ -	\$ 100,013.91	\$ -	\$ 72,958.10	\$ 150,185.24	\$ 705.46	\$ -	\$ -	\$ 150,890.70	\$ 150,890.70	\$ -

SPECIAL DISTRICT: Carrizozo SWCD
 QUARTER ENDING: 30-Jun-17

REVENUES	CURRENT QUARTER	YEAR TO DATE	APPROVED BUDGET
General Fund 101 (enter items below)			
Property Tax - Current Year	26,749.39	73,723.90	74,000.00
State Allotments	7,209.98	13,698.96	15,000.00
Water Quality & Conservation Grant	4,450.80	7,360.80	7,748.50
Wildlife Escape Ramps	840.00	5,070.00	16,000.00
Other Income	-	160.25	1,300.00
Upper Hondo SWCD Loan	-	-	3,000.00
Interest Income	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
Subtotal General Fund Revenues	\$ 39,250.17	\$ 100,013.91	\$ 117,048.50
Other Financing Sources:			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Transfers	\$ -	\$ -	\$ -
TOTAL GENERAL FUND REVENUES	\$ 39,250.17	\$ 100,013.91	\$ 117,048.50
Intergovernmental Grants 218 (enter items below)			
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
Subtotal Intergovernmental Grants Revenues	\$ -	\$ -	\$ -
Other Financing Sources:			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Transfers	\$ -	\$ -	\$ -
TOTAL INTERGOV. GRANT REVENUES	\$ -	\$ -	\$ -
Other 299 (enter items below)			
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
Subtotal Other 299 Revenues	\$ -	\$ -	\$ -
Other Financing Sources:			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Transfers	\$ -	\$ -	\$ -
TOTAL OTHER REVENUES	\$ -	\$ -	\$ -
Debt Service 400			
General Obligation Bonds	-	-	-
General Obligation - (Property tax)	-	-	-
Investment Income	-	-	-
Other - Misc	-	-	-
Revenue Bonds	-	-	-
Bond Proceeds	-	-	-
Revenue Bonds - GRT	-	-	-
Investment Income	-	-	-
Revenue Bonds - Other	-	-	-
Miscellaneous(NMFA, BOF, etc.)	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
Subtotal Debt Service Fund Revenues	\$ -	\$ -	\$ -
Other Financing Sources:			
Transfers In	-	-	-
Transfers Out	-	-	-
Total Transfers	\$ -	\$ -	\$ -
TOTAL DEBT SERVICE REVENUES	\$ -	\$ -	\$ -
GRAND TOTAL REVENUES	\$ 39,250.17	\$ 100,013.91	\$ 117,048.50

SPECIAL DISTRICT: Carrizozo SWCD

QUARTER ENDING: 6/30/17

EXPENDITURES	CURRENT QUARTER	YEAR TO DATE	APPROVED BUDGET
General Fund 101 (enter items below)			
Personnel Services, Salaries including Benefits	4,584.95	18,600.29	28,470.00
Mileage and Per Diem	-	3,440.96	4,000.00
Office Expenses	-	356.71	750.00
Building Expenses (e.g. rent/maintenance)	263.07	1,251.49	1,300.00
Supplies	-	-	500.00
Advertising and Public Relations (e.g. newsletter)	105.24	276.52	500.00
Annual Audit Expenses	-	3,232.50	3,325.00
Dues and Board Fees	307.24	2,147.64	3,400.00
Field Supplies	-	55.00	2,500.00
Postage Expense	-	-	250.00
Cost Sharing Expense	11,769.49	21,073.29	40,000.00
Training and Workshops	-	1,440.00	1,600.00
Contractual Services Expenses	900.00	900.00	6,500.00
Miscellaneous	2,179.05	9,386.04	19,000.00
Insurance	194.00	1,094.00	1,600.00
Wildlife Escape Ramps	-	2,059.16	13,000.00
Accountant	256.11	651.75	1,600.00
Water Quality & Conservation Grant	4,222.75	6,992.75	7,748.50
	-	-	-
	-	-	-
TOTAL GENERAL FUND EXPENDITURES	\$ 24,781.90	\$ 72,958.10	\$ 136,043.50
Intergovernmental Grants 218 (enter items below)			
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
TOTAL INTERGOV. GRANT EXPENDITURES	\$ -	\$ -	\$ -
Other 299 (enter items below)			
	-	-	-
	-	-	-
Sanitation	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
TOTAL OTHER EXPENDITURES	\$ -	\$ -	\$ -
Debt Service 400			
Bond Payments Principal	-	-	-
Bond Payments- Interest	-	-	-
Other Debt Service	-	-	-
TOTAL DEBT SERVICE EXPENDITURES	\$ -	\$ -	\$ -
GRAND TOTAL EXPENDITURES	\$ 24,781.90	\$ 72,958.10	\$ 136,043.50

STATE OF NEW MEXICO
CARRIZOZO SOIL AND WATER CONSERVATION DISTRICT
Schedule of Findings and Responses
Year Ended June 30, 2017

Prior Year Finding None

Current Year Finding None

STATE OF NEW MEXICO
CARRIZOZO SOIL AND WATER CONSERVATION DISTRICT
Exit Conference
Year Ended June 30, 2017

Exit Conference

The report contents were discussed at an exit conference held on September 8, 2017 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, 2017

<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	2017	AUP - No Opinion	No Finding			No findings			