

**STATE OF NEW MEXICO  
CENTRAL CURRY SOIL AND WATER  
CONSERVATION DISTRICT  
Independent Accountants' Report on  
Applying Agreed-Upon Procedures  
Year Ended June 30, 2015**

Ronny Fouts, CPA  
CERTIFIED PUBLIC ACCOUNTANT  
Melrose, NM 88124

**STATE OF NEW MEXICO  
CENTRAL CURRY SOIL AND  
WATER CONSERVATION DISTRICT  
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June 30, 2015**

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**STATE OF NEW MEXICO  
CENTRAL CURRY SOIL AND  
WATER CONSERVATION DISTRICT  
Official Roster  
June 30, 2015**

**Board of Supervisors**

John Wood	Chairman
Rodney Porter	Vice-Chairman
Erik Nelson	Secretary/Treasurer
Doyle Carpenter	Member
Aaron Scott	Member
Spencer Pipkin	Member
Madeline Hettinga	Member

**Staff**

Vacant	Program Director
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**RONNY FOUTS**  
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## **INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES**

John Wood, Chairman and  
The District Board  
Central Curry Soil & Water Conservation District  
and Honorable Timothy Keller, New Mexico State Auditor

We have performed the procedures enumerated below for the Central Curry Soil & Water Conservation District for the year ended June 30, 2015. The Central Curry 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 Central Curry Soil & Water Conservation District through the Office of the New Mexico State Auditor. The Central Curry 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 Central Curry Soil & Water Conservation District has three bank accounts 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 Central Curry 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 \$65,618. The number of items tested was 29 Of 58.

## **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 \$69,116. The number of items tested was 72 out of 144.

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 Central Curry 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

- (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 Central Curry Soil & Water Conservation District and the DFA-LGD. There were 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 Central Curry Soil & Water Conservation District.

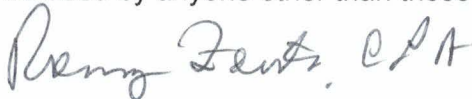
## 7. Other Procedures

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 Central Curry 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  
January 18, 2016

STATE OF NEW MEXICO  
CENTRAL CURRY 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, 2015

	Budgeted Amounts		Actual	Variance-Favorable (Unfavorable)
	Original	Final		
<b>Revenues:</b>				
NMSU Grant Income	\$ -	\$ -	\$ 15,262	\$ 15,262
CRP Commission	-	-	47,094	47,094
Interest Income	10	10	23	13
NMSU Income	12,000	12,000	14,446	2,446
ONRT	25,500	25,500	25,491	(9)
Special Projects Income	-	-	281	281
Windbreak Trees	20,000	20,000	932	(19,068)
Windbreak Supplies	25,000	25,000	5,538	(19,462)
Windbreak Other	-	-	-	-
<b>Total Revenues</b>	<b>\$ 82,510</b>	<b>\$ 82,510</b>	<b>\$ 109,067</b>	<b>\$ 26,557</b>
<b>Expenditures:</b>				
Personnel Services	\$ 30,000	\$ 30,000	\$ 29,636	\$ 364
Advertising and Public Relations	100	1,700	1,644	56
Bonding	1,100	1,100	1,000	100
Dues and Subscriptions	1,510	1,510	1,350	160
Educational Material	500	350	150	200
Meetings & Elections	1,000	1,750	1,741	9
Office Equipment	-	2,300	2,252	48
Office Supplies	200	200	173	27
Postage and Delivery	100	550	533	17
Professional Fees	4,000	-	-	-
Special Projects	26,000	26,550	26,494	56
Travel	3,000	1,500	1,466	34
Windbreak Program	15,000	15,000	10,190	4,810
<b>Total Expenditures</b>	<b>82,510</b>	<b>82,510</b>	<b>76,629</b>	<b>5,881</b>
Excess (deficiency) of revenues over expenditures	-	-	32,438	32,438
Cash Balance at beginning of year	96,627	96,627	96,627	-

**Central Curry Soil & Water Conservation District**  
**Profit & Loss Budget vs. Actual**  
 July 2014 through June 2015

	Jul '14 - Jun 15	Budget	% of Budget
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
NMSU GRANT INCOME	15,262.00		
CRP COMMISSION	47,093.42	0.00	100.0%
Interest Income	23.42	10.00	234.2%
NMDA Funding	0.00	0.00	0.0%
NMSU Income	14,446.00	12,000.00	120.4%
ONRT	25,491.00	25,500.00	100.0%
<b>Special Projects Income</b>			
Living Snow Fence Income	281.15		
Special Projects Income - Other	0.00	0.00	0.0%
<b>Total Special Projects Income</b>	281.15	0.00	100.0%
<b>Windbreak</b>			
Trees	932.00	20,000.00	4.7%
Windbreak Supplies	5,538.38	25,000.00	22.2%
Windbreak - Other	0.00	0.00	0.0%
<b>Total Windbreak</b>	6,470.38	45,000.00	14.4%
<b>Total Income</b>	109,067.37	82,510.00	132.2%
<b>Expense</b>			
GRANT EXPENDITURES	12,675.00		
Advertisements	1,644.48	1,700.00	96.7%
Bank Service Charges	0.00		
Bonding	1,000.00	1,100.00	90.9%
Dues and Subscriptions	1,350.00	1,510.00	89.4%
Educational Material	150.00	350.00	42.9%
Meetings & Elections	1,740.86	1,750.00	99.5%
Office equipment	2,251.75	2,300.00	97.9%
Office Supplies	173.34	200.00	86.7%
<b>Payroll Expenses</b>			
Wages	12,358.47		
<b>Payroll Taxes</b>			
941 Tax	3,786.18		
Employee State Withholding	136.22		
SUTA	110.28		
Workman's Comp	17.20		
Contract Labor	1,568.00		
Payroll Taxes - Other	178.49		
<b>Total Payroll Taxes</b>	5,796.37		
<b>Payroll Expenses - Other</b>	3,805.83	30,000.00	12.7%
<b>Total Payroll Expenses</b>	21,960.67	30,000.00	73.2%

**Central Curry Soil & Water Conservation District**  
**Profit & Loss Budget vs. Actual**  
**July 2014 through June 2015**

07/17/15

Accrual Basis

	Jul '14 - Jun 15	Budget	% of Budget
Postage and Delivery	532.95	550.00	96.9%
Professional Fees	0.00	0.00	0.0%
<b>Special Projects</b>			
Living Snow Fence Expense	1,003.34	1,050.00	95.6%
Playa Restoration Program			
Cost Share	25,491.00		
Playa Restoration Program - Other	0.00	25,500.00	0.0%
<b>Total Playa Restoration Program</b>	<b>25,491.00</b>	<b>25,500.00</b>	<b>100.0%</b>
Special Projects - Other	0.00	0.00	0.0%
<b>Total Special Projects</b>	<b>26,494.34</b>	<b>26,550.00</b>	<b>99.8%</b>
Travel	1,465.92	1,500.00	97.7%
Windbreak Program			
Trees	911.50		
Windbreak Supplies	4,091.92		
Tax - Gross Receipts	186.27		
Windbreak Program - Other	0.00	15,000.00	0.0%
<b>Total Windbreak Program</b>	<b>5,189.69</b>	<b>15,000.00</b>	<b>34.6%</b>
<b>Total Expense</b>	<b>76,629.00</b>	<b>82,510.00</b>	<b>92.9%</b>
<b>Net Ordinary Income</b>	<b>32,438.37</b>	<b>0.00</b>	<b>100.0%</b>
<b>Net Income</b>	<b>32,438.37</b>	<b>0.00</b>	<b>100.0%</b>

**STATE OF NEW MEXICO  
CENTRAL CURRY SOIL AND WATER CONSERVATION DISTRICT  
Schedule of Findings and Responses  
Year Ended June 30, 2015**

**Prior Year Audit Findings**

**None**

**Current Year Finding**

**2015-001 - Agreed Upon Procedures Report submitted late (Significant Deficiency)**

**Condition:**

**The AUP Report was not submitted to the New Mexico State Auditor's office by the due date of December 15, 2015.**

**Criteria:**

**The New Mexico State Auditor requires public entities to submit AUP reports by December 15, 2015. If the reports are submitted late, it is considered to be an instance of noncompliance with subsection NMAC Section 2.2.2.16.H.**

**Cause:**

**The contract for the AUP was not submitted and approved until 11/27/2015. It was impossible to complete a report by the due date.**

**Effect:**

**Non compliance with the New Mexico State Auditor's Rule.**

**Recommendation:**

**Complete and submit the report in a timely manner.**

**Agency response:**

**The AUP will be submitted by the SAO's deadline and will be done by Brenda Allen the program director.**

STATE OF NEW MEXICO  
CENTRAL CURRY SOIL AND WATER CONSERVATION DISTRICT  
Exit Conference  
Year Ended June 30, 2015

EXIT CONFERENCE

The report contents were discussed at an exit conference held on February 10, 2016 with the following in attendance:

Central Curry Soil and Water Conservation District

Eric Nelson, Board member Sec/Treas  
Brenda Allen, 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 and is positioned to the right of the printed name "Ronny Fouts, CPA".