

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

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

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**STATE OF NEW MEXICO
CENTRAL CURRY SOIL AND
WATER CONSERVATION DISTRICT
Official Roster
June 30, 2016**

Board of Supervisors

Erik Nelson	Chairman
Aaron Scott	Vice-Chairman
Doyle Carpenter	Secretary/Treasurer
Clint Harden	Member
Aaron Scott	Member
Spencer Pipkin	Member
Madeline Hettinga	Member

Staff

Brenda Allen	Program Director
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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Erik Nelson, 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, 2016. 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. Verify the local public body's revenue calculation and tier determination documented on the form provided a 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 \$53,072 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 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.

3. Capital Assets

Procedures:

- (a) Verify that the local public body is performing a yearly inventory as required by Section 12-6-10 NMSA 1978.

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.

4. 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 52% the transactions and the dollar amount was \$30,251.

5. 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 52% and the dollar amount was \$28,870.

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).

6. 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.

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 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.

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, 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 (l) (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
December 14, 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, 2016

	Budgeted Amounts			Actual	Variance-Favorable (Unfavorable)
	Original	Final			
Revenues:					
NMSU Grant Income	-	\$	\$	\$	
CRP Commission	25,000		25,000	5,358	(19,642)
Interest Income	20		20	26	6
NMSU Income	15,000		15,000	12,767	(2,233)
ONRT	25,000		25,000	25,491	491
Special Projects Income					
Windbreak Trees				2,837	2,837
Windbreak Supplies				6,593	6,593
Windbreak Other	10,000		10,000		(10,000)
Total Revenues	75,020		75,020	53,072	(21,948)
Expenditures:					
Personnel Services	\$ 25,000	\$	25,000	\$ 7,078	\$ 17,922
Advertising and Public Relations	400		400	300	100
Bonding	1,300		1,300	1,300	
Dues and Subscriptions	1,700		1,700	2,284	(584)
Educational Material	500		500	300	200
Internet	500		500	427	73
Meetings & Elections	2,000		2,000	842	1,158
Office Equipment					
Office Supplies	1,500		1,500	1,147	353
Postage and Delivery	500		500		500
Professional Fees	4,000		4,000	2,155	1,845
Special Projects	26,000		26,000	25,747	253
Travel	3,000		3,000	2,024	976
Windbreak Program	8,000		8,000	7,046	954
Total Expenditures	74,400		74,400	50,650	23,750
Excess (deficiency) of revenues over expenditures	620		620	2,422	1,802

Central Curry Soil & Water Conservation District
Balance Sheet
As of July 1, 2016

	Jul 1, 16
ASSETS	
Current Assets	
Checking/Savings	
CCSWCD Basin Guideline Acct	3,696.13
NMB&T Checking	125,123.05
NMB&T PRP	996.80
Total Checking/Savings	<u>129,815.98</u>
Total Current Assets	<u>129,815.98</u>
TOTAL ASSETS	<u><u>129,815.98</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Payroll Liabilities	80.26
Total Other Current Liabilities	<u>80.26</u>
Total Current Liabilities	<u>80.26</u>
Total Liabilities	80.26
Equity	
Retained Earnings	135,859.94
Net Income	-6,124.22
Total Equity	<u>129,735.72</u>
TOTAL LIABILITIES & EQUITY	<u><u>129,815.98</u></u>

Central Curry Soil & Water Conservation District
Profit & Loss Budget vs. Actual
July 2015 through June 2016

	Jul '15 -Jun 16	Budget	% of Budget
Ordinary Income/Expense			
Income			
CRP COMMISSION	5,358.45	25,000.00	21.4%
Interest Income	26.23	20.00	131.2%
NMSU Income	12,766.77	15,000.00	85.1%
ONRT	25,491.00	25,000.00	102.0%
Windbreak			
Trees	2,837.25	0.00	100.0%
Windbreak Supplies	6,592.61	0.00	100.0%
Windbreak-Other	0.00	10,000.00	0.0%
Total Windbreak	9,429.86	10,000.00	94.3%
Total Income	53,072.31	75,020.00	70.7%
Gross Profit	53,072.31	75,020.00	70.7%
Expense			
Advertisements	300.37	400.00	75.1%
Bonding/Insurance	1,300.00	1,300.00	100.0%
Contract Labor	1,642.50		
Dues and Fees	2,284.34	1,700.00	134.4%
Educational Material	300.00	500.00	60.0%
Internet	427.07	500.00	85.4%
Legal	2,155.00		
Meetings & Elections	841.69	2,000.00	42.1%
Office Supplies	1,146.96	1,500.00	76.5%
Payroll Expenses	5,434.94	29,000.00	18.7%
Postage and Delivery	0.00	500.00	0.0%
Special Projects			
Living Snow Fence Expense	256.48	0.00	100.0%
Playa Restoration Program	25,491.00	0.00	100.0%
Special Projects - Other	0.00	26,000.00	0.0%
Total Special Projects	25,747.48	26,000.00	99.0%
Travel	2,024.15	3,000.00	67.5%
Windbreak Program			
Trees	1,689.00	0.00	100.0%
Windbreak Supplies	4,862.01	0.00	100.0%
Tax - Gross Receipts	494.97	0.00	100.0%
Windbreak Program - Other	0.00	8,000.00	0.0%
Total Windbreak Program	7,045.98	8,000.00	88.1%
Total Expense	50,650.48	74,400.00	68.1%
Net Ordinary Income	2,421.83	620.00	390.6%
Net Income	2,421.83	620.00	390.6%

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

Prior Year Audit Findings

Resolved

Current Year Finding

None

**STATE OF NEW MEXICO
CENTRAL CURRY 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 December 15, 2016 with the following in attendance:

Central Curry Soil and Water Conservation District

Eric Nelson, Board member Chairman
Brenda Allen, Program Director

Accounting Firm

Ronny Fouts, CPA