

**STATE OF NEW MEXICO**

**CIUDAD SOIL AND WATER  
CONSERVATION DISTRICT**

**INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED UPON PROCEDURES**

**FOR THE YEAR-ENDED JUNE 30, 2019**

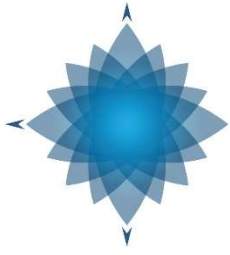


**STATE OF NEW MEXICO  
CIUDAD SOIL AND WATER CONSERVATION DISTRICT  
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FOR THE YEAR ENDED JUNE 30, 2019**

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**STATE OF NEW MEXICO  
CIUDAD SOIL AND WATER CONSERVATION DISTRICT  
OFFICIAL ROSTER  
FOR THE YEAR ENDED JUNE 30, 2019**

<b><u>Board of Supervisors</u></b>	<b><u>Title</u></b>
J. Steven Glass	Chairman
Thomas Allen	Vice-Chairman
Zoe L. Economou	Treasurer
Maria Young	Supervisor
Dan Conklin	Supervisor



**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED UPON PROCEDURES**

Brian S. Colón  
New Mexico State Auditor  
and  
Members of the Board  
Ciudad Soil and Water Conservation District  
Albuquerque, New Mexico

We have performed the procedures enumerated below, which were agreed by the State of New Mexico, Ciudad Soil and Water Conservation District (District) for the year ended June 30, 2019, solely to assist you with respect to the District's compliance for a Tier 4 engagement of Tier 4 of the Audit Act Section 12-6-1 NMSA 1978 et seq. The procedures were agreed to by the District through the Office of the New Mexico State Auditor. The Ciudad Soil and Water Conservation District management is responsible for the organization's accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the America 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 representations regarding the sufficiency of the procedures described below either for the purposes for which this report has been requested or for any other purpose.

The procedures we performed, and the associated findings are included in this report.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Tier 4 agreed upon procedures. Accordingly, we do not express such an opinion or conclusion. 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 management and others within the District, the State Auditor, the Department of Finance and Administration – Local Government Division, and the New Mexico State Legislature and is not intended to be and should not be used by anyone other than these specified parties.

*Integrity Accounting + Consulting, LLC*

Integrity Accounting & Consulting, LLC  
Albuquerque, NM

September 13, 2019

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FOR THE YEAR ENDED JUNE 30, 2019**

Our procedures and findings are as follows:

**1. Verify Tier**

Procedures

- a. Verify the local public body's revenue calculation and tier determination documented on the form provided at [www.osanm.org](http://www.osanm.org) under "Tiered System Reporting Main Page"

Results of Procedures Performed

- a. We verified the District's revenue calculation and tier determinations. The District's cash basis revenue was between the Tier 4 lower and upper limits and had no state capital outlay.

**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 the bank reconciliations for accuracy. Also trace ending balances to the general ledger, supporting documentation, and the financial reports 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.

Results of Procedures Performed

- a. The bank reconciliations were performed monthly in a timely manner. All bank statements for the fiscal year were complete and on hand. For the period July 1, 2018 through June 30, 2019, the District had one checking account.
- b. We have tested 42% of the bank reconciliations. The randomly selected bank reconciliations were accurate, and the ending balances on the bank reconciliations agreed with the District's general ledger and supporting documentation. The ending balances were not traced to the financial reports submitted to DFA-Local Government Division since the Ciudad SWCD no longer meets the definition of a local body (as stated in 6-6-1. NMSA 1978) because and it does not have \$50,000 or more in recurring revenues, exclusive of capital outlay and grants. Due to this fact the District does not have requirement to report to DFA-Local Government Division.

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- c. The District currently has one bank account and this one did not exceed FDIC coverage limit of \$250,000 during the year.

**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.

Results of Procedures Performed

- a. Capital assets of the District include data processing equipment, furniture and fixtures, and equipment. The District performed a yearly inventory and has an official listing of the capital assets.

**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.

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 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.

Results of Procedures Performed

- 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. We requested supporting documentation for ten (10) deposits (73% of total revenue) from a total of 28 deposits for the year. For the sample selected, the amount recorded in the general ledger agreed with the supporting documentation and the bank statement.

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FOR THE YEAR ENDED JUNE 30, 2019**

- c. Per review of supporting documentation for the transactions tested, amounts were properly recorded on a cash basis as to classification, amount and period.

**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 orders, 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).

Results of Procedures Performed

- a) We requested supporting documentation for forty-five (45) disbursements (41% of total expenses) out of a total of 473 disbursements for the year. The amounts recorded as disbursed agreed with the supporting documentation. The amount, payee, date and description of the purchase agreed with the vendor's invoice, contract and canceled check. The District does not use purchase order forms.
- b) For the sample selected, disbursements were properly authorized and approved in compliance with the budget, legal requirements and established policies and procedures.
- c) 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

Test all non-routine journal entries, adjustments, and reclassifications posted to the general ledger for the following attributes:

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FOR THE YEAR ENDED JUNE 30, 2019**

- 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.

Results of Procedures Performed

Review of the general ledger during the course of the engagement, did not identify any non-routine journal entries recorded by the District during the fiscal year.

**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.

Results of Procedures Performed

- a) Verified through the minutes and correspondence that the original budget was approved by the District's governing body and was approved by DFA-LGD on June 4, 2018. The District made two budget adjustments in FY19 that were approved by the Resolutions No 2019-01 and No 2019-04.
- b) Total actual expenditures did not exceed the final budget at the total fund level, the legal level of budgetary control.
- c) A schedule of revenues and expenditures – budget and actual (page 8) was prepared from the DFA-LGD approved budget and the District's records on the cash budgetary basis used by the District, revealed no exceptions.



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**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 findings must include the required content per Section 2.2.2.10(1)(3)(C) NMAC.

Results of Procedures Performed

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.

**STATE OF NEW MEXICO**  
**CIUDAD SOIL AND WATER CONSERVATION DISTRICT**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Grants				
Federal grants	\$ 306,109	202,431	202,431	-
Local grants	64,149	203,148	203,148	-
Private Grants	75,800	118,760	118,760	-
Legislative funding	13,641	14,095	14,095	-
Cost Share	55,000		-	-
Miscellaneous income	-	958	958	-
Total revenues	<u>514,699</u>	<u>539,392</u>	<u>539,392</u>	-
Expenditures:				
Current:				
Personnel services	94,300	111,656	111,656	-
Contractual services	235,229	219,071	219,071	-
Operating expense	160,369	134,981	134,981	-
Cost Sharing Expense				-
Accountant Expense	3,500	3,341	3,341	-
Mileage Reimbursement/Per Diem	4,620	1,710	1,710	-
Field supplies	3,500	19,272	19,272	-
Vehicle expense	4,300	3,431	3,431	-
Advertising	2,500	2,259	2,259	-
Annual audit	2,580	2,589	2,589	-
Liability and workers compensation insurance	1,800	1,634	1,634	-
Telephone, internet, postage	200	133	133	-
Supplies	1,000	1,070	1,070	-
Legal notices	500	567	567	-
Traning and workshops	100	-	-	-
Depreciation		1,750	1,750	-
Miscellaneous	201	220	220	-
Total expenditures	<u>514,699</u>	<u>503,684</u>	<u>503,684</u>	-
Excess (deficiency) of revenues over (under) expenditures	-	35,708	35,707	-
Budgeted cash carryover				
Net change in fund balance	<u>\$ -</u>	<u>35,708</u>		

**STATE OF NEW MEXICO  
CIUDAD SOIL AND WATER CONSERVATION DISTRICT  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2019**

**PRIOR YEAR FINDINGS**

NONE

**CURRENT YEAR FINDINGS**

NONE

**STATE OF NEW MEXICO  
CIUDAD SOIL AND WATER CONSERVATION DISTRICT  
OTHER DISCLOSURES  
FOR THE YEAR ENDED JUNE 30, 2019**

**B. EXIT CONFERENCE**

The contents of the report for the Ciudad Soil and Water Conservation District were discussed on, September 13, 2019. The following individuals were in attendance.

Ciudad Soil and Water Conservation District Officials

Steve Glass, Chair

Dan Conklin, Supervisor

Astrid Hueglin, Fiscal Admin

Integrity Accounting & Consulting Personnel

Erick Robinson, CPA, CFE Partner