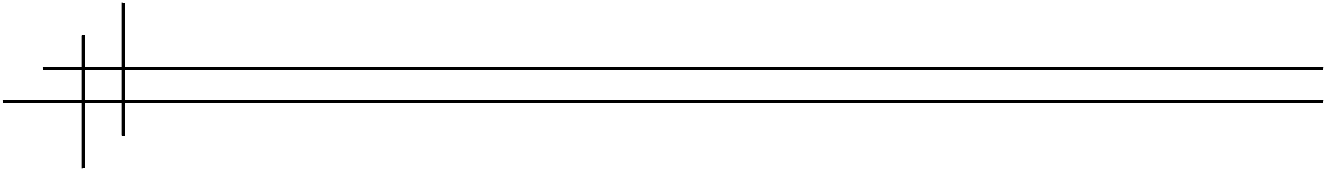


Hagerman-Dexter Soil & Water Conservation District
Hagerman, New Mexico

Independent Accountants' Report on
Applying Agreed-Upon Procedures
June 30, 2016

De'Aun Willoughby CPA, PC
Certified Public Accountant
Clovis, New Mexico



Hagerman-Dexter Soil & Water Conservation District
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For the Year Ended June 30, 2016

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Hagerman-Dexter Soil & Water Conservation District
Official Roster
June 30, 2016

Board of Supervisor

Stuart Bogle	Chairman
Ray Miles	Vice-Chairman
James Freeland	Secretary/Treasurer
David Sterrett	Member
Robert Jolley	Member

Administration

Heidi Gray	Clerk
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Independent Auditor's Report on Applying Agreed Upon Procedures

Mr. Tim Keller
State Auditor of the State of New Mexico
Board Members of Hagerman-Dexter Soil & Water Conservation District

We have performed the procedures enumerated below for Hagerman-Dexter Soil & Water Conservation District (District), for the year ended June 30, 2016. District was determined to be a Tier 4 entity under the Audit Act, Section 12-6-3 B (4) NMSA 1978. The procedures were agreed to by 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, 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

a) 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".

Results:

The revenue calculation and tier determination was documented on the form provided at www.osanm.org under "Tiered System Reporting Main Page".

2. Cash

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.

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:

The District has two checking accounts. All bank reconciliations are performed within days of receiving the bank statements and all were complete and on-hand. The reconciliations were accurate, agreed to the general ledger and financial reports submitted to DFA. The cash in the bank was fully insured by FDIC.

3. Capital Assets

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

Results:

District did perform a yearly inventory and is in compliance with Section 12-6-10 NMSA 1978.

4. 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 based on auditor judgment and test using 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:

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 the general ledger agreed with supporting documentation and bank statements.

Amounts were properly recorded on the cash basis as to classification, amount and period per review of supporting documentation.

5. Expenditures

Select a sample of cash disbursements based on auditor judgment and test using 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
- 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:

The test sample of fifteen expenditures from a population of one hundred one were recorded as disbursed and agreed to supporting documentation. Amount paid, payee, date and description agreed with the vendor's invoice, contract and cancelled check, as appropriate.

Disbursements were properly authorized and approved in compliance with the budget, legal requirements and established policies and procedures.

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) were not violated.

6. Journal Entries

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.

Results:

There were no journal entries.

7. Budget

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:

Total actual expenditures did not exceed the final total budgeted expenditures at the fund level, the legal level of budgetary control.

A schedule of revenues and expenditures-budget and actual was prepared on the cash budgetary basis.

Other

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(I)(3)(C) NMAC.

No additional information came to our attention indicating fraud, illegal acts, noncompliance or internal control deficiencies.

We were not engaged to and did not conduct an audit or examination of the subject matter, the objective of which would be the expression of an opinion on the District's compliance with results of procedures required of a Tier 4 examination. 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 the management, the board members, the Office of the State Auditor, the Department of Finance and Administration, and the New Mexico State Legislature and is not intended to be and should not be used by anyone other than these specified parties.

De'Ann Willoughby CPA PC

Clovis, New Mexico
November 10, 2016

Hagerman-Dexter Soil & Water Conservation District
Statement of Revenues and Expenditures Compared to
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Property Taxes	\$ 40,000	\$ 40,000	\$ 36,514	\$ (3,486)
State Allocation	12,000	12,000	14,674	2,674
County Subsidy	1,000	1,000	1,000	0
Miscellaneous	4,100	4,100	33	(4,067)
Total Revenues	<u>\$ 57,100</u>	<u>\$ 57,100</u>	<u>\$ 52,221</u>	<u>\$ (4,879)</u>
Expenditures				
Board Expense	2,000	2,000	1,177	823
Building Expense	1,500	1,500	860	640
Cost Share	14,000	14,000	4,453	9,547
Dues and Subscriptions	500	500	250	250
Education	4,000	4,000	2,594	1,406
Election	500	500	0	500
Insurance	2,500	2,500	1,093	1,407
Legal	2,000	2,000	1,000	1,000
Miscellaneous	2,500	2,500	641	1,859
Noxious Weeds Coordinator	10,000	10,000	10,000	0
Office & Postage	4,200	4,200	1,584	2,616
Per diem & Mileage	400	400	0	400
Public Relations	1,500	1,500	563	937
Salaries & Benefits	5,500	5,500	4,678	822
Training and Workshops	4,000	4,000	0	4,000
Utilities	2,000	2,000	1,344	656
Total Expenditures	<u>\$ 57,100</u>	<u>\$ 57,100</u>	<u>\$ 30,237</u>	<u>\$ 26,863</u>

DEPARTMENT OF FINANCE AND ADMINISTRATION (DFA)
 LOCAL GOVERNMENT DIVISION (LCD)
 BUDGET AND FINANCE BUREAU
 SOIL AND WATER CONSERVATION DISTRICT
 QUARTERLY YEAR TO DATE FINANCIAL REPORT

PLEASE 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

Soil and Water Conservation District Hagerman-Dexter SWCD
 Period Ending 06/30/16

Fund #	FUND	CASH BALANCE PER BOOKS July 1, 2015	YEAR TO DATE TRANSACTIONS PER BOOKS QUARTERLY REPORT									
			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
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
101	GENERAL FUND	\$ 78,973.29	\$52,221.78	\$0.00	\$30,238.63	\$100,956.44	\$2,319.26			\$103,275.70	\$103,275.70	\$0.00
218	INTERGOVERNMENTAL GRANTS		\$0.00	\$0.00	\$0.00	\$0.00				\$0.00	\$0.00	\$0.00
299	OTHER		\$0.00	\$0.00	\$0.00	\$0.00				\$0.00	\$0.00	\$0.00
400	DEBT SERVICE		\$0.00	\$0.00	\$0.00	\$0.00				\$0.00	\$0.00	\$0.00
	GRAND TOTAL	\$ 78,973	\$52,221.78	\$0.00	\$30,238.63	\$100,956.44	\$2,319.26	\$	\$	\$103,275.70	\$103,275.70	\$0.00

NOTE: DETAIL PAGES will complete the Report except for Cash Per Books on July 1.

*USER NOTES: Please describe what any specific requirements are used for.

SWCD
Hagerman-Dexter SWCD

Period Ending 6/30/2016

REVENUES	CURRENT QUARTER	YEAR TO DATE	APPROVED BUDGET	% OF BUDGET
General Fund 101				
Total Property Tax Production To Date	\$10,195 80	\$36,514 06	\$40,000 00	0 9128515
Total Interest From Bank Accounts and CDs	\$8 19	\$31 28	\$100 00	0 3128
Hazardous Fuels Income	0	\$0 00	\$0 00	
Grass Seed and or Tree Sales	0	\$0 00	\$0 00	
Book Sales	0	\$0 00	\$0 00	
Rent Revenue	0	\$0 00	\$0 00	
Brush Control Materials	0	\$0 00	\$0 00	
Noxious Weed Program	0	\$0 00	\$0 00	
Conservation Sale Items	0	\$0 00	\$0 00	
Miscellaneous	\$1,002 00	\$1,002 00	\$5,000 00	0 2004
NMSU -State Allocation	\$649 57	\$14,674 44	\$12,000 00	1 22287
	0	\$0 00	\$0 00	
	0	\$0 00	\$0 00	
TOTAL GENERAL FUND REVENUES	\$11,855 56	\$52,221 78	\$57,100 00	0 914567075
Intergovernmental Grants 218				
State or University Grants	0	0	0	
Federal Grants	0	0	0	
State Grants	0	0	0	
Local Grants	0	0	0	
Private Grants	0	0	0	
Legislative Funding	0	0	0	
Miscellaneous (e.g. NMDA)	0	0	0	
TOTAL GRANT REVENUES	\$ -	\$ -	\$ -	
Other 299				
Contract Services	0	0	0	
Educational Income	0	0	0	
Charges for Services	0	0	0	
Capital Outlay Funded	0	0	0	
Project Income-Conservation & Environmental	0	0	0	
Emergency Watershed Protection Program	0	0	0	
Project Income - Reloan Program	0	0	0	
Project Expenses Income	0	0	0	
Silent Auctions	0	0	0	
Miscellaneous	0	0	0	
OTHER FUND 299 FROM DETAIL TAB	0	0	0	
TOTAL OTHER 299	\$ -	\$ -	\$ -	
Debt Service 400				
General Obligation Bonds	0	0	0	
General Obligation - (Property Tax)	0	0	0	
Investment Income	0	0	0	
Other - Misc	0	0	0	
Revenue Bonds	0	0	0	
Bond Proceeds	0	0	0	
Revenue Bonds - GRT	0	0	0	
Investment Income	0	0	0	
Revenue Bonds - Other	0	0	0	
Miscellaneous (NMFA, BOF, etc.)	0	0	0	
Investment Income	0	0	0	
Loan Revenue	0	0	0	
TOTAL DEBT SERVICE REVENUES	\$ -	\$ -	\$ -	
GRAND TOTALS REVENUES- CURRENT QTR	\$11,855 56	\$ 52,222	\$ 57,100	0 914567075

NOTE: If this report is for the first quarter YEAR TO DATE will be the same as the CURRENT QUARTER.

SWCD:

Hagerman-Dexter SWCD

Period Ending 6/30/2016

EXPENDITURES	CURRENT QUARTER	YEAR TO DATE	APPROVED BUDGET	% OF BUDGET
GENERAL FUND 101				
Personnel Services, (Salaries and Benefits)	\$1,124.52	\$4,678.14	\$5,500.00	0.85057091
Mileage and Per Diem (Board Member Stipend)	\$323.22	\$1,177.43	\$2,000.00	0.588715
Insurance (Building & Tort Claims) and Bonding	\$0.00	\$1,093.00	\$2,500.00	0.4372
Expenses (Including phone & internet) & Office Supplies	\$384.78	\$1,495.38	\$4,000.00	0.373845
Building Expenses	\$322.50	\$859.63	\$1,500.00	0.57308667
Postage Expense	\$39.45	\$88.85	\$200.00	0.44425
Education Expense	\$1,494.43	\$2,594.43	\$4,000.00	0.6486075
Election Expense	\$0.00	\$0.00	\$500.00	0
Public Relations (e.g. newsletter) -Includes legal notices	\$0.00	\$563.10	\$1,500.00	0.3754
Training and Workshops	\$0.00	\$0.00	\$4,000.00	0
Per diem & Mileage-Employees	\$0.00	\$0.00	\$400.00	0
Meetings & Dues	\$0.00	\$250.00	\$500.00	0.5
Legal Expense	\$1,000.00	\$1,000.00	\$2,000.00	0.5
Cost Sharing Expense	\$952.88	\$4,452.88	\$14,000.00	0.31806286
Utilities (Water, Sewer, Electricity)	\$292.70	\$1,344.35	\$2,000.00	0.672175
Noxious Weeds Coordinator	\$10,000.00	\$10,000.00	\$10,000.00	1
Miscellaneous (e.g. Meetings)	\$0.00	\$641.44	\$2,500.00	0.256576
	\$0.00	\$0.00	\$0.00	
	\$0.00	\$0.00	\$0.00	
	\$0.00	\$0.00	\$0.00	
	\$0.00	\$0.00	\$0.00	
	\$0.00	\$0.00	\$0.00	
	\$0.00	\$0.00	\$0.00	
	\$0.00	\$0.00	\$0.00	
Total General Fund Expenditures	\$15,934.48	\$30,238.63	\$57,100.00	0.5295732
Intergovernmental Grants Expenditures 218				
State or University Grants	0	0	0	
Federal Grants	0	0	0	
State Grants	0	0	0	
Local Grants	0	0	0	
Private Grants	0	0	0	
Legislative Funding	0	0	0	
Other	0	0	0	
Total Grant Expenditures	\$ -	\$ -	\$ -	
Other Expenditures 299				
Loan Payments	0	0	0	
Capital Outlay Expenses/Capital Projects	0	0	0	
Conservation and Environmental Control Expenses	0	0	0	
Bonding	0	0	0	
All Other Insurance	0	0	0	
Loan Program Expenses including Loan Repayments	0	0	0	
Miscellaneous Expenses	0	0	0	
OTHER FUND 299 FROM DETAIL TAB	0	0	0	
Total Other Expenditures	\$ -	\$ -	\$ -	
Debt Service 400				
Bond Payments Principal	0	0	0	
Bond Payments- Interest	0	0	0	
Other Debt Service	0	0	0	
Total Debt Service Expenditures	0	0	0	
TOTAL EXPENDITURES Current Quarter	\$ 15,934	\$ 30,239	\$ 57,100	0.5295732

NOTE If this report is for the first quarter YEAR TO DATE will be the same as the CURRENT QUARTER.

SWCD:

Hagerman-Dexter SWCD

Period Ending: 6/30/2016

BUDGETED TRANSFERS * OTHER FINANCING SOURCES/ USES	CURRENT QUARTER	YEAR TO DATE	APPROVED BUDGET	% INCREASE (DECREASE) (D-C) / D
Transfers In Fund 100	0	0	0	
Transfers In Fund 218	0	0	0	
Transfers In Fund 299	0	0	0	
Transfers In Fund 400	0	0	0	
A SUB-TOTAL	-	-	-	
Transfers Out Fund 100	0	0	0	
Transfers Out Fund 218	0	0	0	
Transfers Out Fund 299	0	0	0	
Transfers Out Fund 400	0	0	0	
B SUB-TOTAL	-	-	-	
A - B Total Net Transfers	\$ -	\$ -	0	

* Transfers in the budget occur when money arrives in one account and is transferred to another for a specific use. Board must approve by resolution. Local Government also approves if moving from or to the General Fund.

Hagerman-Dexter Soil & Water Conservation District
Schedule of Findings and Responses
June 30, 2016

Prior Year Audit Findings

N/A

Current Year Audit Findings

None

Exit Conference

An exit conference was held on November 10, 2016. Those present were Stuart Bogle-Chairman, Heidi Gray-Clerk and De'Aun Willoughby, CPA.