

STATE OF NEW MEXICO
Socorro Soil and Water Conservation District

Independent Accountant's Report on
Applying Agreed-Upon Procedures (TIER 4)

For the Fiscal Year Ended
June 30, 2016

Socorro Soil and Water Conservation District

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Fiscal Year Ended June 30, 2016

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**Socorro Soil and Water Conservation District
OFFICIAL ROSTER
Fiscal Year Ending June 30, 2016**

Chairman	Richard Ritter
Vice Chairman	Eddy Harris
Secretary/Treasurer	J. Chris Lopez
Director of Special Projects Program Manager	Nyleen H. Troxel Stowe
Member	Gordon (Corky) Herkenhoff
Member	Jose "Lencho" Vega
Range Technician	Will Kolbensschlag

**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES (TIER 4)**

Richard Ritter, President
Socorro Soil and Water Conservation District
and
Honorable Timothy Keller
New Mexico State Auditor
Santa Fe, New Mexico

We have performed the procedures enumerated below which were agreed to by Socorro Soil and Water Conservation District and the New Mexico State Auditor (the specified parties), solely to assist users in determining compliance with the provisions of the Audit Act for a Tier 4 entity per Section 12-6-3 B (4) NMSA 1978, Section 2.2.2.16 NMAC as of and for the year ended June 30, 2016. The District's management is responsible for its accounting records and financial reporting. 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:

Before beginning the procedures below, the IPA must verify the local public body's revenue calculation and tier determination using the form provided at www.osanm.org under "Financial Audits" and "What IPA Services are Required."

1. Before beginning the procedures below, the IPA must verify the local public body's revenue calculation and tier determination using the form provided at www.osanm.org under "Financial Audits" and "What IPA Services are Required."

We verified Socorro Soil and Water Conservation District revenue calculation and tier determination documented on the form provided at www.osanm.org under "Tier System Reporting Main Page" and it was determined that the District falls under the Tier 4 procedures. General revenues were \$266,847.93. No capital outlay funds were expended during the year ended June 30, 2016.

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.

We determined that all bank reconciliations were performed and that all bank statements were complete and on hand without exception. All monthly bank reconciliations for the operating account and loan account were examined without exception.

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.

We performed a test of bank reconciliations for accuracy and traced the ending balances to the general ledger. We determined that the bank reconciliations were accurate. The District submitted the quarterly financial reports to 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.

We determined that the balance of the operating account at no time exceeded the insured limits provided by the FDIC of \$250,000. Therefore, pledged collateral by the financial institution was not required.

3. Capital Assets

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

We inquired as to whether or not the District is performing a yearly inventory as required by section 12-6-10 NMSA 1978. The District performed the capital asset inventory for FY 2016.

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.

We performed an analytical review of the revenue and tested actual revenue and compared to budgeted revenue for the year for each type of revenue. We noted no exceptions.

Select a sample of revenue 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.

We randomly selected a sample of 25 receipts and we traced the amounts recorded in the supporting documentation including deposit books to the general ledger and to the bank statements. No exceptions were noted.

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.

We randomly selected a sample of 25 receipts and we traced the amounts recorded in the general ledger and supporting documentation for proper coding and distribution. No exceptions were noted.

5. Expenditures

Select a sample of cash disbursements based on auditor judgment 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 canceled check, as appropriate.

We selected a sample of 25 disbursements and determined that the District had adequate documentation for disbursements. In the testwork we checked that the amount recorded as disbursed agrees to adequate supporting documentation and that the amount, payee, date and description agreed to the purchase order, contract, vendor's invoice and canceled check as appropriate. We exceptions were noted.

b) Determine that disbursements were properly authorized and approved in compliance with the budget, legal requirements and established policies and procedures.

We determined that the disbursements were properly authorized and approved in compliance with the budget, legal requirements and established policies and procedures. No exceptions were noted.

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).

Note: The sample must be representative of the population.

No major projects requiring bidding were started or completed during this accounting period. None of the selected items for testing had travel and per diem reimbursement.

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.

Because there were no manual journal entries created during FY 2016, no testing was performed in this area.

b) The local public body has procedures that require journal entries to be reviewed and there is evidence the reviews are being performed.

Because there were no manual journal entries created during FY 2016, no testing was performed in this area.

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.

The District prepared and approved their FY 2016 operating budget and they provided minutes to show that the Board reviewed and approved the budget. The District's budget was approved by 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.

Total actual expenditures did not exceed the final budget at the total fund level, which is the legal level of budgetary control. Therefore, there is no 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.

See Attached Statement of Revenues and Expenses – Budget and Actual – General Fund - Cash Basis on page 8 of this report.

8. 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(l)(3)(C) NMAC.

No information came to our attention indicating any fraud or illegal acts. Instances of noncompliance and internal control deficiencies are disclosed in the findings of this report.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on the District's accounting records and financial reporting. 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 board of directors and management of the Socorro Soil and Water Conservation District, the New Mexico Office of the State Auditor, the New Mexico 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 those specified parties.

Assurance Tax Accounting P.C.

Assurance Tax Accounting P.C.

Albuquerque, New Mexico

November 18, 2016

STATE OF NEW MEXICO
 Socorro Soil and Water Conservation District
 GENERAL FUNDS
 STATEMENT OF REVENUES AND EXPENSES
 ACTUAL (Cash Basis)
 For the year ended June 30, 2016

	Original Budget	Final Budget	Actual Budget Basis	Variance Favorable (Unfavorable)
Revenue				
Property Taxes	\$ 150,000	168,310	158,310	(10,000)
Federal Grands	52,560	52,560	52,560	-
State Funding	54,650	54,650	53,719	(931)
Loan Repayments	2,000	2,000	2,000	-
Misc. Grant Income	500	500	167	(333)
Interest/Dividends	110	110	92	(18)
	<hr/>			
Total revenues	259,820	278,130	266,848	(11,282)
	<hr/>			
Expenditures Current:				
Personnel services	\$ 130,000	130,000	125,130	4,870
General Government	108,550	108,550	87,874	20,676
Grant Expenditures	57,650	57,650	66,977	(9,327)
Loan Payments	1,604	1,604	1,604	0
	<hr/>			
Total expenditures	297,804	297,804	281,585	16,219
	<hr/>			
Excess (deficiency) of revenues and other financing sources (over) under expenditures and othe financing uses	\$ (37,984)	(19,674)	(14,737)	4,937
	<hr/>			
Prior year cash appropriated to balance budget	\$ 37,984	\$19,674		
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DEPARTMENT OF FINANCE AND ADMINISTRATION (DFA)
 LOCAL GOVERNMENT DIVISION (LGD)
 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 Socorro
 Period Ending: 06/30/16

Fund #	FUND	CASH BALANCE PER BOOKS July 1, 2016 (1)	YEAR TO DATE TRANSACTIONS PER BOOK & QUARTERLY REPORT											
			REVENUES TO DATE (2)	NET TRANSFERS (3)	EXPENDITURES TO DATE (4)	BOOK BALANCE END OF PERIOD (5)	ADD: OUTSTANDING CHECKS (6)	LESS: DEPOSITS IN TRANSIT (7)	ADJUSTMENTS (8)	ADJUSTED BALANCE END OF PERIOD (9)	BALANCE PER BANK STATEMENTS (10)	DIFFERENCE (11)		
101	GENERAL FUND	\$ 136,798.42	264,848	-	279,981	121,661	5,755	-	127,416	127,416	0			
218	INTERGOVERNMENTAL GRANTS	-	-	-	-	-	-	-	-	-	-			
299	OTHER	4,241.07	2,000	-	1,604	4,641	-	-	4,641	4,641	0			
400	DEBT SERVICE	141,059	266,848	-	281,585	126,502	5,755	-	132,057	132,058	0			
	GRAND TOTAL	\$ 322,098.56	\$ 533,696	\$ -	\$ 562,170	\$ 252,804	\$ 11,510	\$ -	\$ 264,073	\$ 264,074	\$ 0			

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

*USER NOTES: Please describe what any except conditions are used for.
 Transfer from fund to account fund in the interest on the accountants to make the account balance.
 \$1,071 difference in the annual deduction for Federal (51,498.41) and State (2310,26) taxes. PERA contribution (536,11) & 5786.11. National (4,641) contribution for annual 2,292,201.6 through 3/31/2016. \$1,071 were paid after April 1, 2016.

SWCD:
Socorro

Period Ending: 6/30/2016

REVENUES	CURRENT QUARTER	YEAR TO DATE	APPROVED BUDGET	% OF BUDGET
General Fund 101				
Total Property Tax Production To Date	40801	158310	150000	1.055399667
Total Interest From Bank Accounts and CDs	24	92	110	0.837636364
Hazardous Fuels Income	0	0	0	
Grass Seed and or Tree Sales	0	0	0	
Book Sales	0	0	0	
Rent Revenue	0	0	0	
Brush Control Materials	0	0	0	
State Funding	10102	53719	54650	0.982960476
Noxious Weed Program	7500	52560	52560	1
Conservation Sale Items	0	0	500	0
Miscellaneous-auction of old equip	167	167	0	
	0	0	0	
	0	0	0	
	0	0	0	
TOTAL GENERAL FUND REVENUES	\$ 58,594	\$ 264,848	\$ 257,820	1.027259057
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	0
TOTAL OTHER 299	\$ -	\$ -	\$ -	-
Debt Service 400				
General Obligation Bonds				
General Obligation - (Property Tax)	0	0	0	
Investment Income	0	0	0	
Other - Misc	0	0	0	
Revenue Bonds				
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	2000	2000	1
TOTAL DEBT SERVICE REVENUES	\$ -	\$ 2,000	\$ 2,000	1
GRAND TOTALS REVENUES- CURRENT QTR	\$ 58,594	\$ 266,848	\$ 259,820	1.027049226

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

SWCD:
Socorro

Period Ending: 6/30/2016

EXPENDITURES	CURRENT QUARTER	YEAR TO DATE	APPROVED BUDGET	% OF BUDGET
GENERAL FUND 101				
Personnel Services, (Salaries and Benefits)	34,271	125,130	130,000	0.96253469
Mileage and Per Diem	0	0	0	
Vehicle Expense (Insurance, gas, maintenance)	3,531	9,128	15,000	0.60855533
Building Expenses (e.g. rent/maintenance)	6,789	15,492	16,000	0.96822938
Utilities (Electricity, Natural Gas, Propane, Water, Sewer)	820	2,550	2,500	1.019812
Telephone	0	0	0	
Postage Expense	133	612	900	0.6796
OfficeSupplies and Other Expenses	744	7,543	7,500	1.005728
Office Furniture and Equipment	0	0	0	
Advertising and Public Relations (e.g. newsletter)	0	0	0	
Training, Workshops & Education expense	0	585	5,000	0.116984
Annual Audit/Financial Report Expenses	0	4,168	4,000	1.0419125
Dues and Board Fees	602	6,220	7,000	0.88850714
Election Expense	0	0	0	
Field Supplies & Equipment	4,702	5,648	4,650	1.21470538
Cost Sharing Expense	18,662	39,454	40,000	0.98636175
Brush Control Expenses	0	0	0	
Contractual Fees and Other Services (Comm. Proj.)	6,345	61,395	57,650	1.06495403
GRT Taxes	0	0	0	
Miscellaneous (computers, xeros machine)	0	2,058	6,000	0.343
	0	0	0	
	0	0	0	
	0	0	0	
Total General Fund Expenditures	\$ 76,598	\$ 279,981	\$ 296,200	0.94524379
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	1,604	1,604	0	
Total Debt Service Expenditures	0	0	0	
TOTAL EXPENDITURES Current Quarter	\$ 76,598	\$ 279,981	\$ 296,200	0.94524379

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

Socorro Soil and Water Conservation District

SCHEDULE OF FINDINGS AND RESPONSES
Fiscal Year Ended June 30, 2016

Prior Year Findings:

None

Current Year Findings

None

Socorro Soil and Water Conservation District
EXIT CONFERENCE
Fiscal Year Ended June 30, 2016

The report contents were discussed at an exit conference held on November 18, 2016 with the following in attendance:

Socorro Soil and Water Conservation District

Board of Supervisors:
Richard Ritter, Chairperson

Management:
Nyleen H. Troxel Stowe, Director of Special Projects

Assurance Tax Accounting PC

Johnny Mangu, MBA, CPA, CGFM, CGMA Principal