

PORCH & ASSOCIATES LLC

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

SOCORRO SOIL & WATER CONSERVATION DISTRICT

Report of Independent Accountant on the
Application of Agreed-Upon Procedures

June 30, 2019

SOCORRO SOIL & WATER CONSERVATION DISTRICT

TABLE OF CONTENTS

	Page
List of Principal Officials.....	i
Agreed-Upon Procedures	
Report of Independent Accountant on the Application of Agreed-Upon Procedures.....	1
Statement of Revenues and Expenditures – Budget and Actual – (Non-GAAP Budgetary Basis):	
General.....	6
Debt Service.....	7
Year-end Financial Report Submitted to the New Mexico Department of Finance and Administration.....	8
Schedule of Findings and Responses.....	11
Exit Conference	12

SOCORRO SOIL & WATER CONSERVATION DISTRICT

List of Principal Officials

June 30, 2019

Board of Directors

Eddy Harris	Chair
Chris Lopez	Vice-Chair
Brian Durkin	Secretary/Treasurer
Lencho Vega	Member
James Sanchez	Member

District Staff

Nyleen H. Troxel Stowe	Director of Special Projects and Program Manager
Will Kolbenschlag	Range Technician

Report of Independent Accountant on the Application of Agreed-Upon Procedures

Mr. Brian S. Colón, Esq., New Mexico State Auditor and
The Board of Directors
Socorro Soil & Water Conservation District
Socorro, New Mexico

We have performed the procedures enumerated below, which were agreed to by the Socorro Soil & Water Conservation District (District) and the New Mexico State Auditor (the specified parties), solely to assist users in evaluating the District's financial reporting relating to its cash, capital assets, debt, revenues, expenditures, journal entries, and budget information and its compliance with Section 12-6-3 B (4) NMSA 1978 and Section 2.2.2.16 NMAC, as of and for the year ended June 30, 2019. The District's management is responsible for its accounting records, financial reporting, and compliance with the State Auditor rules as described above.

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:

In accordance with Tier 4 of the Audit Act – Section 12-6-3 B (4) NMSA 1978 and Section 2.2.2.16 NMAC, the procedures and associated findings are as follows:

1. Verify the Local Public Body's Revenue Calculation for Tiered System Reporting

We used the tiered system reporting worksheet provided by the New Mexico State Auditor's Office to recalculate the tiered system reporting calculation prepared by the Board.

Findings Resulting from Procedure 1

Our procedures confirmed that the Board should have Tier 4 procedures.

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 test of 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 (DFA).

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Socorro Soil & Water Conservation District
Socorro, New Mexico

- c) Determine whether the local public body's financial institutions have provided it with 50% of pledged collateral on all uninsured deposits as required by Section 6-10-17 NMSA 1978, NM Public Money Act, if applicable.

Findings Resulting from Procedures 2(a) – 2(c):

1. For the purposes of performing these procedures “timely” means completion of the bank reconciliations within one month after the last day of the reporting month. Bank reconciliations were prepared on a timely basis.
2. The cash reconciliations are correct.
3. The amount of cash reported to DFA at September 30, 2018 was \$177,489, which tied to the bank balance per the bank statement. The amount of cash reported to DFA at June 30, 2019 was \$189,201, which tied to the reconciled balance without exception.
4. All cash accounts are covered by FDIC insurance. In addition, the bank has pledged \$98,843 in bonds as additional security.

3. Capital Assets

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

Findings Resulting from Procedure 3

The District is performing the required yearly inventory.

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 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 in the bank statement.

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Socorro, New Mexico

- 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 Resulting from Procedures 5(a) – 5(c):

The District has recorded revenue correctly.

5. Expenditures

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).

Findings Resulting from Procedures 5(a) – 6(c)

The Board has approved all purchases. Procurement policies have been followed.

6. Journal Entries

If non-routine journal entries, such as adjustments or reclassification, 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.

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The Board of Directors
Socorro Soil & Water Conservation District
Socorro, New Mexico

Findings Resulting from Procedures 6(a) – 6(b)

No non-routine journal entries, such as adjustments or reclassifications were posted to the general ledger.

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.

Findings Resulting from Procedures 7(a) – 7(c)

1. The original budget was approved by the Board and DFA-LGS. There were no budget adjustments during the year.
2. Actual expenditures have not exceeded budgeted expenditures.

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(I)(3)(C) NMAC.

Findings Resulting from Procedure 8

We noted no indications of fraud, illegal acts, noncompliance, or other matters.

* * * * *

Mr. Brian S. Colón, Esq., New Mexico State Auditor and
The Board of Directors
Socorro Soil & Water Conservation District
Socorro, New Mexico

We were not engaged to, and did not, conduct an examination or review, the objective of which would be the expression of an opinion on the District's financial reporting to the State Auditor as described above. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the information and use of the District, the New Mexico Office of the State Auditor, the New Mexico Legislature, and the New Mexico Department of Finance and is not intended to be, and should not be, used by anyone other than those specified parties.

Porch & Associates, LLC

Albuquerque, New Mexico
August 15, 2019

**SOCORRO SOIL & WATER CONSERVATION DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
Revenues				
Property Tax - current & delinque \$	162,000	162,000	157,182	(4,818)
Total interest	150	150	128	(22)
Other charges for services	55,000	55,000	51,500	(3,500)
Administrative fees	31,810	31,810	27,310	(4,500)
State allotments	15,000	15,000	14,095	(905)
Other state disbursements	41,000	41,000	31,780	(9,220)
Sale of fixed assets	20,000	20,000	17,118	(2,882)
Total revenues	324,960	324,960	299,113	(25,847)
Expenditures				
Building	3,000	3,000	443	2,557
Contractual services	35,000	35,000	46,156	(11,156)
Field supplies	17,000	17,000	14,905	2,095
Office	68,200	68,200	72,055	(3,855)
Salaries and benefits	135,000	135,000	132,221	2,779
Capital Purchases	75,000	75,000	29,972	45,028
Total expenditures	333,200	333,200	295,752	37,448
Net change in fund balance	(8,240)	(8,240)	3,361	11,601
Prior year cash appropriated	8,240	8,240		
	<u>\$ -</u>	<u>-</u>		

**SOCORRO SOIL & WATER CONSERVATION DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)
DEBT SERVICE FUND
Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
Revenues				
Loan Revenue	\$ 4,000	4,000	1,745	(2,255)
Expenditures				
Other debt service	1,604	1,604	1,604	-
Net change in fund balance	\$ 2,396	2,396	141	(2,255)

**State of New Mexico
Local Government Budget Management System (LGBMS)**

**Year-to-Date Actuals - Fiscal Year 2018-2019 - FY 2019 Q4
Socorro SWCD - Entity**

Detail Report Sorted by Fund and Department

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11000 General Operating Fund

10000 Assets

0001 No Department

10100 Cash Assets	Original	Adjustments	Adjusted	YTD	Balance	% Realized
10101 Unrestricted Cash	184,261.00	0.00	184,261.00	184,261.00	0.00	100.00
10102 Restricted Cash	1,440.00	0.00	1,440.00	1,440.00	0.00	100.00
10100 Totals	185,701.00	0.00	185,701.00	185,701.00	0.00	100.00
0001 Totals	185,701.00	0.00	185,701.00	185,701.00	0.00	100.00
10000 Assets Totals	185,701.00	0.00	185,701.00	185,701.00	0.00	100.00

40000 Revenues

0001 No Department

41000 Taxes Local Effort	Original	Adjustments	Adjusted	YTD	Balance	% Realized
41500 Property Tax - Current	150,000.00	0.00	150,000.00	149,005.38	994.62	99.34
41510 Property Tax - Prior Year	12,000.00	0.00	12,000.00	9,921.20	2,078.80	82.68
41000 Totals	162,000.00	0.00	162,000.00	158,926.58	3,073.42	98.10
44000 Charges for Services	Original	Adjustments	Adjusted	YTD	Balance	% Realized
44010 Administrative Fees	31,810.00	0.00	31,810.00	27,310.00	4,500.00	85.85
44990 Other Charges for Services	55,000.00	0.00	55,000.00	51,500.00	3,500.00	93.64
44000 Totals	86,810.00	0.00	86,810.00	78,810.00	8,000.00	90.78
46000 Miscellaneous Revenues	Original	Adjustments	Adjusted	YTD	Balance	% Realized
46030 Interest Income	150.00	0.00	150.00	128.39	21.61	85.59
46091 Sale of Fixed Assets	20,000.00	0.00	20,000.00	17,118.00	2,882.00	85.59
46300 Loan Proceeds	4,000.00	0.00	4,000.00	1,744.96	2,255.04	43.62
46000 Totals	24,150.00	0.00	24,150.00	18,991.35	5,158.65	78.64
47000 Intergovernmental Grants (Distributions)	Original	Adjustments	Adjusted	YTD	Balance	% Realized
47190 State Allotment to Soil & Water Conservation Districts	15,000.00	0.00	15,000.00	14,094.79	905.21	93.97
47398 Other State Distributions (operational)	41,000.00	0.00	41,000.00	31,780.00	9,220.00	77.51
47000 Totals	56,000.00	0.00	56,000.00	45,874.79	10,125.21	81.92
0001 Totals	328,960.00	0.00	328,960.00	302,602.72	26,357.28	91.99
40000 Revenues Totals	328,960.00	0.00	328,960.00	302,602.72	26,357.28	91.99

50000 Expenditures

2002 General Administration

51000 Salary & Wages (FTE required)	Original	Adjustments	Adjusted	YTD	Balance	% Realized
51020 Salaries - Full-Time Positions	105,500.00	0.00	105,500.00	103,722.63	1,777.37	98.32
51000 Totals	105,500.00	0.00	105,500.00	103,722.63	1,777.37	98.32
52000 Employee Benefits	Original	Adjustments	Adjusted	YTD	Balance	% Realized
52010 FICA - Regular	8,075.00	0.00	8,075.00	7,132.72	942.28	88.33
52020 Retirement	10,100.00	0.00	10,100.00	10,059.14	40.86	99.60
52030 Health and Medical Premiums	10,490.00	0.00	10,490.00	10,202.80	287.20	97.26
52100 Workers' Compensation Premium	800.00	0.00	800.00	1,078.00	(278.00)	134.75
52110 Workers' Compensation Employer's Fee	35.00	0.00	35.00	25.80	9.20	73.71
52000 Totals	29,500.00	0.00	29,500.00	28,498.46	1,001.54	96.60
54000 Purchased Property Services	Original	Adjustments	Adjusted	YTD	Balance	% Realized
54010 Maintenance & Repairs - Building/Structure	3,000.00	0.00	3,000.00	443.18	2,556.82	14.77
54000 Totals	3,000.00	0.00	3,000.00	443.18	2,556.82	14.77

55000 Contractual Services	Original	Adjustments	Adjusted	YTD	Balance	% Realized
55010 Contract - Audit	3,000.00	0.00	3,000.00	2,481.13	518.87	82.70
55999 Contract - Other Services	32,000.00	0.00	32,000.00	43,675.00	(11,675.00)	136.48
55000 Totals	35,000.00	0.00	35,000.00	46,156.13	(11,156.13)	131.87
56000 Supplies	Original	Adjustments	Adjusted	YTD	Balance	% Realized
56020 Supplies - General Office	8,000.00	0.00	8,000.00	5,461.77	2,538.23	68.27
56120 Supplies - Vehicle Fuel	3,000.00	0.00	3,000.00	2,176.36	823.64	72.55
56121 Supplies - Vehicle Lubricants/Anti-Freeze	2,000.00	0.00	2,000.00	1,723.99	276.01	86.20
56122 Supplies - Vehicle Tires	2,000.00	0.00	2,000.00	760.39	1,239.61	38.02
56999 Supplies - Other	2,000.00	0.00	2,000.00	4,782.28	(2,782.28)	239.11
56000 Totals	17,000.00	0.00	17,000.00	14,904.79	2,095.21	87.68
57000 Operating Costs	Original	Adjustments	Adjusted	YTD	Balance	% Realized
57050 Employee Training	600.00	0.00	600.00	610.00	(10.00)	101.67
57060 Grants to Sub-recipients	42,000.00	0.00	42,000.00	45,337.60	(3,337.60)	107.95
57070 Insurance - General Liability/Property	7,200.00	0.00	7,200.00	6,737.00	463.00	93.57
57080 Postage	400.00	0.00	400.00	365.85	34.15	91.46
57140 Rent of Land/Building	7,200.00	0.00	7,200.00	7,200.00	0.00	100.00
57150 Subscriptions & Dues	3,000.00	0.00	3,000.00	4,353.60	(1,353.60)	145.12
57160 Telecommunications	3,800.00	0.00	3,800.00	4,014.13	(214.13)	105.64
57170 Utilities - Electricity	1,500.00	0.00	1,500.00	1,633.51	(133.51)	108.90
57173 Utilities - Water	1,500.00	0.00	1,500.00	1,803.32	(303.32)	120.22
57999 Other Operating Costs	1,000.00	0.00	1,000.00	0.00	1,000.00	0.00
57000 Totals	68,200.00	0.00	68,200.00	72,055.01	(3,855.01)	105.65
58000 Capital Purchases	Original	Adjustments	Adjusted	YTD	Balance	% Realized
58080 Vehicles	60,000.00	0.00	60,000.00	29,972.00	30,028.00	49.95
58999 Other Capital Purchases	15,000.00	0.00	15,000.00	0.00	15,000.00	0.00
58000 Totals	75,000.00	0.00	75,000.00	29,972.00	45,028.00	39.96
59000 Debt Service	Original	Adjustments	Adjusted	YTD	Balance	% Realized
59010 Debt Service - Principal Payments	1,490.00	0.00	1,490.00	1,489.18	0.82	99.94
59020 Debt Service - Interest Payments	114.00	0.00	114.00	114.50	(0.50)	100.44
59000 Totals	1,604.00	0.00	1,604.00	1,603.68	0.32	99.98
2002 Totals	334,804.00	0.00	334,804.00	297,355.88	37,448.12	88.81
50000 Expenditures Totals	334,804.00	0.00	334,804.00	297,355.88	37,448.12	88.81
ALL FUNDS	Original	Adjustments	Adjusted	YTD	Balance	% Realized
10000 Assets	185,701.00	0.00	185,701.00	185,701.00	0.00	100.00
40000 Revenues	328,960.00	0.00	328,960.00	302,602.72	26,357.28	91.99
50000 Expenditures	334,804.00	0.00	334,804.00	297,355.88	37,448.12	88.81

State of New Mexico
Local Government Budget Management System (LGBMS)

Year-to-Date Actuals - Fiscal Year 2018-2019 - FY 2019 Q4
Socorro SWCD - Entity
Summary Report Sorted by Fund and Department

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11000 General Operating Fund

10000 Assets

0001 No Department	Original	Adjustments	Adjusted	YTD	Balance	% Realized
10100 Cash Assets	185,701.00	0.00	185,701.00	185,701.00	0.00	100.00
0001 Totals	185,701.00	0.00	185,701.00	185,701.00	0.00	100.00
10000 Assets Totals	185,701.00	0.00	185,701.00	185,701.00	0.00	100.00

40000 Revenues

0001 No Department	Original	Adjustments	Adjusted	YTD	Balance	% Realized
41000 Taxes Local Effort	162,000.00	0.00	162,000.00	158,926.58	3,073.42	98.10
44000 Charges for Services	86,810.00	0.00	86,810.00	78,810.00	8,000.00	90.78
46000 Miscellaneous Revenues	24,150.00	0.00	24,150.00	18,991.35	5,158.65	78.64
47000 Intergovernmental Grants (Distributions)	56,000.00	0.00	56,000.00	45,874.79	10,125.21	81.92
0001 Totals	328,960.00	0.00	328,960.00	302,602.72	26,357.28	91.99
40000 Revenues Totals	328,960.00	0.00	328,960.00	302,602.72	26,357.28	91.99

50000 Expenditures

2002 General Administration	Original	Adjustments	Adjusted	YTD	Balance	% Realized
51000 Salary & Wages (FTE required)	105,500.00	0.00	105,500.00	103,722.63	1,777.37	98.32
52000 Employee Benefits	29,500.00	0.00	29,500.00	28,498.46	1,001.54	96.60
54000 Purchased Property Services	3,000.00	0.00	3,000.00	443.18	2,556.82	14.77
55000 Contractual Services	35,000.00	0.00	35,000.00	46,156.13	(11,156.13)	131.87
56000 Supplies	17,000.00	0.00	17,000.00	14,904.79	2,095.21	87.68
57000 Operating Costs	68,200.00	0.00	68,200.00	72,055.01	(3,855.01)	105.65
58000 Capital Purchases	75,000.00	0.00	75,000.00	29,972.00	45,028.00	39.96
59000 Debt Service	1,604.00	0.00	1,604.00	1,603.68	0.32	99.98
2002 Totals	334,804.00	0.00	334,804.00	297,355.88	37,448.12	88.81
50000 Expenditures Totals	334,804.00	0.00	334,804.00	297,355.88	37,448.12	88.81

ALL FUNDS	Original	Adjustments	Adjusted	YTD	Balance	% Realized
10000 Assets	185,701.00	0.00	185,701.00	185,701.00	0.00	100.00
40000 Revenues	328,960.00	0.00	328,960.00	302,602.72	26,357.28	91.99
50000 Expenditures	334,804.00	0.00	334,804.00	297,355.88	37,448.12	88.81

**SOCORRO SOIL & WATER CONSERVATION DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2019**

Status of Prior Year Findings

None

Current Year Findings

None

**SOCORRO SOIL & WATER CONSERVATION DISTRICT
EXIT CONFERENCE
Year Ended June 30, 2019**

An exit conference was held on August 21, 2019, and attended by the following:

Socorro Soil & Water Conservation District

Eddy Harris, Board Chair

Nyleen H. Troxel Stowe, Director of Special Projects

Porch & Associates LLC

Thad Porch, Managing Principal

* * * * *

The financial statements were prepared by Porch & Associates LLC from the books and records of the District. However, the contents of these financial statements remain the responsibility of the District's management.