

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, 2018

SOCORRO SOIL & WATER CONSERVATION DISTRICT

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SOCORRO SOIL & WATER CONSERVATION DISTRICT

List of Principal Officials

June 30, 2018

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. Wayne Johnson, 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, 2018. 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).

Mr. Wayne Johnson, New Mexico State Auditor and
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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 March 31, 2018 was \$195,078, which tied to the bank balance per the bank statement. The amount of cash reported to DFA at June 30, 2017 was \$187,914, which tied to the reconciled balance without exception.
4. All cash accounts are covered by FDIC insurance. In addition, the bank has pledged \$99,643 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.

Mr. Wayne Johnson, New Mexico State Auditor and
The Board of Directors
Socorro Soil & Water Conservation District
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.

Mr. Wayne Johnson, New Mexico State Auditor and
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. Budget adjustments and amendments were approved by the Board and DFA-LGS.
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. Wayne Johnson, 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
November 16, 2018

**SOCORRO SOIL & WATER CONSERVATION DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
Revenues				
Property Tax - current & delinque \$	157,000	157,000	155,189	(1,811)
Total interest	90	90	118	28
Noxious weed program	55,000	55,000	55,000	-
State allotments	51,000	51,000	49,351	(1,649)
Miscellaneous	-	-	-	-
Wildlife escape ramps	-	-	-	-
Other	56,353	56,553	26,812	(29,741)
Total revenues	319,443	319,643	286,470	(33,173)
Expenditures				
Financial review	2,600	2,600	2,473	127
Building	12,000	9,200	9,378	(178)
Contractual services	36,000	36,000	35,697	303
Cost sharing	42,000	42,000	30,068	11,932
Dues and board fees	7,165	7,765	8,507	(742)
Field supplies	2,000	-	-	-
Office	7,000	9,000	7,361	1,639
Postage	500	500	398	102
Salaries and benefits	131,000	133,235	131,302	1,933
Utilities	3,000	3,000	3,026	(26)
Vehicle	10,000	10,000	11,608	(1,608)
Telephone	-	2,800	3,604	(804)
Training and workshops	750	750	170	580
Total expenditures	254,015	256,850	243,592	13,258
Net change in fund balance	\$ 65,428	62,793	42,878	(46,431)

**SOCORRO SOIL & WATER CONSERVATION DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)
DEBT SERVICE FUND
Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
Revenues				
Loan Revenue	\$ 4,000	4,000	-	(4,000)
Expenditures				
Other debt service	1,604	1,604	1,604	-
Net change in fund balance	2,396	2,396	(1,604)	<u>(4,000)</u>
Prior year cash appropriated	(2,396)	(2,396)	1,604	
	<u>\$ -</u>	<u>-</u>	<u>-</u>	

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: 06/30/18

x _____

YEAR TO DATE TRANSACTIONS PER BOOKS QUARTERLY REPORT

Fund #	FUND (1)	CASH BALANCE PER BOOKS July 1, 2016 (2)	REVENUES TO DATE (3)	NET TRANSFERS (4)	EXPENDITURES TO DATE (5)	BOOK BALANCE END OF PERIOD (6)	ADD: OUTSTANDING CHECKS (7)	LESS: DEPOSITS IN TRANSIT (8)	ADJUSTMENTS (9)	ADJUSTED BALANCE END OF PERIOD (10)	BALANCE PER BANK STATEMENTS (11)	DIFFERENCE (12)
101	GENERAL FUND-10101	141,523.18	286,469.50	(2.10)	243,492.38	184,498.20	1,976.36		0.40	186,474.96	186,474.96	-
218	INTERGOVERNMENTAL GRANTS		-	-	-	-				-		-
299	OTHER		-	-	-	-				-		-
400	DEBT SERVICE-10102	3,040.79	-	2.10	1,603.68	1,439.21				1,439.21	1,439.21	-
	GRAND TOTAL	144,563.97	286,469.50	-	245,096.06	185,937.41	1,976.36	-	0.40	187,914.17	187,914.17	-

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

*USER NOTES: (Please describe what any reserve requirements are used for).

The \$2,10 transfer is just the interest from the loan account. It was not transferred into general fund, just showing it to make spreadsheet balance.

The 0.40 in adjustments is due to typo of starting balance entered into DFA app-it should have been 141,523.58 not 141,523.18.

\$1976.36--unpaid Fed/FICA (1764.16), State (203.60), workers comp fee (8.60)

SWCD:
Socorro

Period Ending: 6/30/2018

REVENUES	CURRENT QUARTER	YEAR TO DATE	APPROVED BUDGET	% OF BUDGET
General Fund 101				
Total Property Tax Production To Date-41500 & 41510	40,360.19	155,189.47	157,000.00	0.99
Total Interest From Bank Accounts and CDs-46030	33.55	117.98	90.00	1.31
Hazardous Fuels Income	-	-	-	
Grass Seed and or Tree Sales	-	-	-	
Book Sales	-	-	-	
Rent Revenue	-	-	-	
Brush Control Materials	-	-	-	
State Funding-47190	-	13,641.31	15,000.00	0.91
State Distributions-47398	6,222.92	35,709.25	36,000.00	0.99
Noxious Weed Program -44990	13,750.00	55,000.00	55,000.00	1.00
Conservation Sale Items	-	-	-	
Miscellaneous-44010 & 46091	9,998.49	26,811.49	56,553.00	0.47
	-	-	-	
	-	-	-	
	-	-	-	
TOTAL GENERAL FUND REVENUES	70,365.15	286,469.50	319,643.00	0.90
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-46300	0	0	4000	0
TOTAL DEBT SERVICE REVENUES	\$ -	\$ -	\$ 4,000	0
GRAND TOTALS REVENUES- CURRENT QTR	\$ 70,365	\$ 286,470	\$ 323,643	0.885140417

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

SWCD:
Socorro

Period Ending: 6/30/2018

EXPENDITURES	CURRENT QUARTER	YEAR TO DATE	APPROVED BUDGET	% OF BUDGET
GENERAL FUND 101				
Personnel Services, (Salaries and Benefits)-51020,52010, 52020, 52030, 52100, 52110	30,907.29	131,302.24	133,235.00	0.99
Mileage and Per Diem	-	-	-	
Vehicle Expense (Insurance, gas, maintenance)-56120, 56122, 56999	4,923.75	11,608.03	10,000.00	1.16
Building Expenses (e.g. rent/maintenance)-54010, 57140	1,800.00	9,378.02	9,200.00	1.02
Utilities (Electricity, Natural Gas, Propane, Water, Sewer)-57170, 57173	933.88	3,026.03	3,000.00	1.01
Telephone-57160	746.27	3,604.31	2,800.00	1.29
Postage Expense-57080	126.80	397.97	500.00	0.80
OfficeSupplies and Other Expenses-55999	936.80	7,353.81	9,000.00	0.82
Office Furniture and Equipment	-	-	-	
Advertising and Public Relations (e.g. newsletter)	-	-	-	
Training, Workshops & Education expense-57050	-	170.00	750.00	0.23
Annual Audit/Financial Report Expenses-55010	-	2,472.51	2,600.00	0.95
Dues and Board Fees-57070, 57150	3,317.35	8,406.87	7,765.00	1.08
Election Expense	-	-	-	
Field Supplies & Equipment	-	-	-	
Cost Sharing Expense-57060	22,572.07	30,067.60	42,000.00	0.72
Brush Control Expenses	-	-	-	
Contractual Fees and Other Services (Comm. Proj.)-55999	5,817.86	35,697.11	36,000.00	0.99
GRT Taxes-57999	7.88	7.88	10.00	0.79
Miscellaneous (e.g. Meetings)	-	-	-	
	-	-	-	
	-	-	-	
	-	-	-	
Total General Fund Expenditures	72,089.95	243,492.38	256,860.00	0.95
Intergovernmental Grants Expenditures 218				
State or University Grants	-	-	-	
Federal Grants	-	-	-	
State Grants	-	-	-	
Local Grants	-	-	-	
Private Grants	-	-	-	
Legislative Funding	-	-	-	
Other	-	-	-	
Total Grant Expenditures	-	-	-	
Other Expenditures 299				
Loan Payments	-	-	-	
Capital Outlay Expenses/Capital Projects	-	-	-	
Conservation and Environmental Control Expenses	-	-	-	
Bonding	-	-	-	
All Other Insurance	-	-	-	
Loan Program Expenses including Loan Repayments	-	-	-	
Miscellaneous Expenses	-	-	-	
OTHER FUND 299 FROM DETAIL TAB	-	-	-	
Total Other Expenditures	-	-	-	
Debt Service 400				
Bond Payments Principal	-	-	-	
Bond Payments- Interest	-	-	-	
Other Debt Service55010 and 55020	1,603.68	1,603.68	1,604.00	0.9998005
Total Debt Service Expenditures	1,603.68	1,603.68	1,604.00	0.9998005
TOTAL EXPENDITURES Current Quarter	73,693.63	245,096.06	258,464.00	0.9482793

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

**SOCORRO SOIL & WATER CONSERVATION DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2018**

Status of Prior Year Findings

2017-001 Cash incorrectly reported to DFA

Resolved

**SOCORRO SOIL & WATER CONSERVATION DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
Year Ended June 30, 2018**

None

**SOCORRO SOIL & WATER CONSERVATION DISTRICT
EXIT CONFERENCE
Year Ended June 30, 2018**

An exit conference was held on November 29, 2018, 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

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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.