



MACIAS, GUTIERREZ & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ESPANOLA, NEW MEXICO
www.mgandc.com

STATE OF NEW MEXICO

CUBA SOIL AND WATER CONSERVATION DISTRICT

Independent Accountants' Report on Applying
Agreed-Upon Procedures

Year Ended June 30, 2010

STATE OF NEW MEXICO

**CUBA SOIL AND WATER
CONSERVATION DISTRICT**

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Agreed-Upon Procedures**

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**STATE OF NEW MEXICO
CUBA SOIL AND WATER CONSERVATION DISTRICT**

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June 30, 2010**

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**STATE OF NEW MEXICO
CUBA SOIL AND WATER CONSERVATION DISTRICT**

**Official Roster
at June 30, 2010**

<u>Name</u>		<u>Title</u>
	<u>Board of Supervisors</u>	
James Montoya		Chairman
Timothy Johnson		Vice-Chairman
L.D. Schmitz		Secretary/Treasurer
Ricardo Duran		Member
Joe J. Lovato, Jr.		Member
Melvin Maestas		Member
Julian Sanchez		Member
	<u>Staff</u>	
Brian Velarde		Program Coordinator
Peggy Ohler		District Clerk



Macias, Gutierrez
& Co., P.C.

*Certified Public Accountants
Member AICPA, NMSCPA*

1302 Calle De La Merced, Suite A
Española, New Mexico 87532
505.747.4415
Fax 505.747.4417

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To: James Montoya, Chairman
Cuba Soil and Water Conservation District
and
Honorable Hector H. Balderas
New Mexico State Auditor

We have performed the procedures enumerated below for the Cuba Soil and Water Conservation District (CSWCD), for the year ended June 30, 2010 solely to assist the CSWCD in demonstrating compliance with a Tier 4 entity under the Audit Act, Section 12-6-3 B (4) NMSA 1978, Section 2.2.2.16 NMAC and Section 6-6-2 (A) NMSA 1978 as set forth in the accompanying Exhibits A, B and C. The procedures were agreed to by the CSWCD through the Office of the New Mexico State Auditor. The Cuba Soil and Water Conservation 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. 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) 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 (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.

Findings

- a) The CSWCD has two checking accounts (General and McCune Grant), one savings account (Scholarship Fund) and one certificate of deposit (CD) and utilizes Quickbooks to record transactions. All reconciliations are performed within weeks of receiving the statements and all were complete and on-hand.
- b) Random tests of bank reconciliations revealed that, for the general checking account, the monthly reconciliations did not agree with the general ledger but did agree with quarterly financial reports submitted to DFA-LGD. We also noted that for each month from July through November 2009, the difference in the "reconciled" amount to the general ledger was \$350. From December 2009 through June 2010, the difference in the "reconciled" amount to the general ledger was \$400. Random tests of reconciliations for the other two accounts and the CD revealed no differences between the reconciled balances and the general ledger. The differences for the general account were discussed with the District Clerk during the engagement and were identified originally as three (\$350) and then four (\$400) old outstanding checks that were subsequently voided.
- c) Due to collective bank balances exceeding the insured limit, the financial institution provided CSWCD with the 50% of pledged collateral on all uninsured deposits, as required by Section 6-10-17 NMSA 1978, NM Public Money Act.

2. Capital Assets

Procedures

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

Findings

The CSWCD performed a yearly inventory as required by Section 12-6-10 NMSA 1978 and maintains a capital asset listing. The CSWCD's only capital assets are a truck and construction-in-progress on a new headquarters building. However, the CSWCD has recorded the payments made on the two loans as the book values, not the total vehicle cost or actual construction costs.

3. 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.

Test 50% of the total amount of revenues for 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.

Findings

- a) Analytical review and test of actual revenue compared to budgeted revenue for the year for each type of revenue revealed no exceptions.
- b) Amounts recorded in Quickbooks agreed with supporting documentation and the bank statements.
- c) Amounts were properly recorded on a cash basis as to classification, amount and period per review of supporting documentation.

4. Expenditures

Procedures

Select a sample of cash disbursements and test at least 25 transactions and 50% of the total amount of expenditures for 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 cancelled 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 13-1-99 NMSA 1978) and State Purchasing Regulations (1.4.1 NMAC) and Regulations Governing the Per Diem and Mileage Act (2.42.2 NMAC).

Findings

- a) Amounts recorded as disbursed agreed to supporting documentation. Amount paid, payee, date and description agreed with the vendor's invoice, purchase order, contract and cancelled check, as appropriate.
- b) 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).

5. Journal Entries

Procedures

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.

Findings

The CSWCD utilizes Quickbooks to record cash transactions but prepared three journal entries during the year. One entry was to set-up a supplies inventory, another to record a travel advance and the third to reclassify accounts payable to sales tax payable. The entries appear reasonable, have supporting documentation and are reviewed.

6. 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.

Findings

- a) A review of the minutes revealed that the original budget was approved by the CSWCD and the DFA-LGD. There was one subsequent budget adjustment submitted and approved by the CSWCD and the DFA-LGD.
- b) Total actual expenditures did not exceed the final budget at the total fund level, the legal level of budgetary control.
- c) Schedules of revenues and expenditures – budget and actual (Exhibit A) was prepared on the cash budgetary basis used by the CSWCD. Separate budgets are presented for the General Fund, Forestry Camp Fund, Scholarship Fund and Grant Fund.

Other

Procedures

If information comes to the IPA's attention (regardless of materiality) indicating any fraud, illegal acts, noncompliance, or any internal control deficiencies, disclose 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

Nothing came to our attention (regardless of materiality) indicating any fraud or illegal acts. However, see the accompanying Schedule of Findings and Responses for noncompliance (Late Report) and internal control deficiencies related to the Cash and Capital Assets findings described on page v.

* * * * *

We were not engaged to, and did not conduct an audit of financial statements or any part thereof, the objective of which would be the expression of an opinion on the financial statements or any part thereof, including Exhibits A, B and C. 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 Cuba Soil and Water Conservation District, the New Mexico State Auditor's Office and the Department of Finance and Administration, Local Government Division and is not intended to be and should not be used by anyone other than those specified parties.

Macias, Gutierrez & Co., CPAs, P. C.

Macias, Gutierrez & Co., CPAs, P. C.
Española, New Mexico
June 25, 2012

STATE OF NEW MEXICO
CUBA SOIL AND WATER CONSERVATION DISTRICT
Schedule of Revenues and Expenditures-Budget and Actual (Cash Basis)
Year Ended June 30, 2010

GENERAL FUND

	Budgeted Amounts		Actuals	Variance
	Original	Final		Favorable (Unfavorable)
Revenues and transfers-in:				
Sandoval County Mill Levy	\$ 95,000	\$ 95,000	\$ 117,066	\$ 22,066
Rio Arriba County Mill Levy	50,000	50,000	59,830	9,830
Interest	400	400	214	(186)
Other	2,500	2,500	1,802	(698)
NRCS Rent & Utilities	3,240	3,240	3,800	560
NMDA	10,000	10,000	9,533	(467)
NMFA Building Loan Proceeds	-	869,700	-	(869,700)
Transfer-in from Grant fund	5,000	5,000	-	(5,000)
	<u>166,140</u>	<u>1,035,840</u>	<u>192,245</u>	<u>(843,595)</u>
Total revenues and transfers-in				
Cash balance budgeted	-	-	-	-
Total revenues and cash balance budgeted	<u>\$ 166,140</u>	<u>\$ 1,035,840</u>	<u>192,245</u>	<u>(843,595)</u>

Expenditures and transfers-out:

CAPITAL OUTLAY

Debt Service - Truck	\$ 6,090	\$ 6,090	6,090	-
Debt Service - Building	-	49,190	54,134	(4,944)
Totals	<u>6,090</u>	<u>55,280</u>	<u>60,224</u>	<u>(4,944)</u>

PERSONNEL SERVICE

Salaries (f-t)	63,586	63,586	63,010	576
Salaries (p-t)	13,580	13,580	9,234	4,346
Medicare	1,119	1,119	989	130
P.E.R.A.	4,452	4,452	4,451	1
Workmen's Comp.	5,000	5,000	81	4,919
Unemployment Insurance	264	264	161	103
Health Insurance	8,328	8,328	8,702	(374)
FICA	842	842	566	276
Totals	<u>97,171</u>	<u>97,171</u>	<u>87,194</u>	<u>9,977</u>

ADMINISTRATIVE

Mileage and Per Diem	12,500	12,500	2,885	9,615
Bonding	180	180	180	-
Election	1,000	1,000	626	374
Professional Services	10,000	10,000	14,321	(4,321)
Dues	2,500	2,500	2,500	-
Education & Training	850	850	820	30
Gross Receipts Taxes	150	150	88	62
Totals	<u>27,180</u>	<u>27,180</u>	<u>21,420</u>	<u>5,760</u>

STATE OF NEW MEXICO
CUBA SOIL AND WATER CONSERVATION DISTRICT
Schedule of Revenues and Expenditures-Budget and Actual (Cash Basis)
Year Ended June 30, 2010

GENERAL FUND

	Budgeted Amounts		Actuals	Variance
	Original	Final		Favorable (Unfavorable)
OPERATIONAL				
Office Supplies	\$ 2,900	\$ 2,900	\$ 745	\$ 2,155
Advertising/Legal Notices	200	200	-	200
Rental Fees	3,600	3,600	1,500	2,100
Subscriptions	40	40	20	20
Equipment Maintenance & Repairs	300	300	170	130
Postage	1,200	1,200	933	267
Utilities	4,500	4,500	3,561	939
Vehicle Operation & Maintenance	6,000	6,000	3,015	2,985
Totals	<u>18,740</u>	<u>18,740</u>	<u>9,944</u>	<u>8,796</u>

CONSERVATION EDUCATION

Outdoor Classroom	1,500	1,500	-	1,500
Soil Stewardship	200	200	-	200
District Publications	350	350	-	350
School Activities	1,000	1,000	155	845
Community Awareness	2,400	2,400	200	2,200
Awards/Presentations	400	400	-	400
Totals	<u>5,850</u>	<u>5,850</u>	<u>355</u>	<u>5,495</u>

CONSERVATION PROJECTS

Forest Health	25,000	25,000	2,634	22,366
Range Improvements	16,500	16,500	11,334	5,166
Community Ditches	16,500	16,500	-	16,500
Cropland Improvements	16,500	16,500	12,000	4,500
Rodent/Insect Control	5,000	5,000	4,629	371
Erosion Control	5,500	5,500	-	5,500
Weed Control	3,500	3,500	-	3,500
Totals	<u>88,500</u>	<u>88,500</u>	<u>30,597</u>	<u>57,903</u>

Headquarters Building Project - 869,700 - 869,700

Transfers to Forestry Camp Fund 3,000 3,000 3,000 -

Total expenditures and transfers-out \$ 246,531 \$ 1,165,421 212,734 952,687

Excess (deficiency) of revenues and transfers-in over expenditures and transfers-out \$ (20,489) \$ (109,092)

**STATE OF NEW MEXICO
CUBA SOIL AND WATER CONSERVATION DISTRICT
Schedule of Revenues and Expenditures-Budget and Actual (Cash Basis)
Year Ended June 30, 2010**

FORESTRY CAMP FUND	<u>Budgeted Amounts</u>		<u>Actuals</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
Revenues and transfers-in:				
Registrations	\$ 3,500	\$ 3,500	\$ 4,905	\$ 1,405
Donations/Tuition	5,000	6,000	1,760	(4,240)
Sales	150	150	45	(105)
Transfer-in from General fund	3,000	3,000	3,000	-
	<u>11,650</u>	<u>12,650</u>	<u>9,710</u>	<u>(2,940)</u>
Total revenues and transfers-in				
Cash balance budgeted	-	-	-	-
Total revenues and cash balance budgeted	<u>\$ 11,650</u>	<u>\$ 12,650</u>	<u>9,710</u>	<u>(2,940)</u>
Expenditures:				
Printing/Promotion	\$ 1,000	\$ 1,000	1,170	(170)
Postage	200	-	-	-
Telephone	-	-	-	-
Supplies	1,000	1,000	1,403	(403)
Camp Fees	2,000	12,875	5,875	7,000
Personnel/Program	2,500	1,800	3,206	(1,406)
Transportation	900	700	848	(148)
Insurance	1,000	1,100	541	559
Food	500	500	561	(61)
Taxes	10	10	3	7
	<u>\$ 9,110</u>	<u>\$ 18,985</u>	<u>13,607</u>	<u>5,378</u>
Total expenditures				
Excess revenues over expenditures			<u>\$ (3,897)</u>	<u>\$ 2,438</u>

STATE OF NEW MEXICO
CUBA SOIL AND WATER CONSERVATION DISTRICT
Schedule of Revenues and Expenditures-Budget and Actual (Cash Basis)
Year Ended June 30, 2010

SCHOLARSHIP FUND	<u>Budgeted Amounts</u>		<u>Actuals</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
Revenues and transfers-in:				
Sales	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
Interest	20	20	24	4
	<u>1,020</u>	<u>1,020</u>	<u>24</u>	<u>(996)</u>
Total revenues and transfers-in				
Cash balance budgeted	-	-	-	-
Total revenues and cash balance budgeted	<u>\$ 1,020</u>	<u>\$ 1,020</u>	<u>24</u>	<u>(996)</u>
Expenditures:				
Service Charge	\$ -	\$ -	-	-
Scholarships	2,000	2,000	-	2,000
	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>-</u>	<u>2,000</u>
Total expenditures				
Excess revenues over expenditures			<u>\$ 24</u>	<u>\$ 1,004</u>

**STATE OF NEW MEXICO
CUBA SOIL AND WATER CONSERVATION DISTRICT
Schedule of Revenues and Expenditures-Budget and Actual (Cash Basis)
Year Ended June 30, 2010**

GRANT FUND	<u>Budgeted Amounts</u>		<u>Actuals</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
Revenues and transfers-in:				
Weed Program	\$ 15,000	\$ 15,000	\$22,088	\$ 7,088
Salt Cedar	30,000	30,000	7,000	(23,000)
Forest Health	120,000	120,000	66,817	(53,183)
Water Quality and Conservation	30,000	30,000	-	(30,000)
Grant Administration Fees	10,000	10,000	-	(10,000)
	<u>205,000</u>	<u>205,000</u>	<u>95,905</u>	<u>(109,095)</u>
Total revenues and transfers-in				
Cash balance budgeted	-	-	-	-
Total revenues and cash balance budgeted	<u>\$ 205,000</u>	<u>\$ 205,000</u>	<u>95,905</u>	<u>(109,095)</u>
Expenditures and transfers-out:				
Weed Program	\$ 15,000	\$ 15,000	1,587	13,413
Salt Cedar	30,000	30,000	254	29,746
Forest Health	120,000	120,000	44,873	75,127
Water Quality and Conservation	30,000	30,000	-	30,000
Outdoor Classroom	3,800	3,800	2,971	829
Transfer to General Fund	5,000	5,000	-	5,000
	<u>\$ 203,800</u>	<u>\$ 203,800</u>	<u>49,685</u>	<u>154,115</u>
Total expenditures				
Excess revenues over expenditures			<u>\$ 46,220</u>	<u>\$ 45,020</u>

CUBA SWCD CASH RECONCILIATION REPORT
4TH QUARTER - FY 09-10

	CHECKING	McCUNE CKG	SCHLRSHIP	CD'S	TOTAL
CASH BALANCE JULY 1, 2009	\$287,533.20	\$3,792.69	\$5,210.89	\$5,000.00	\$301,536.78
GENERAL FUND REVENUES	\$192,245.49	\$0.00	\$0.00	\$0.00	\$192,245.49
FORESTRY CAMP FUND REVENUES	\$6,710.00	\$0.00	\$0.00	\$0.00	\$6,710.00
SCHOLARSHIP FUND REVENUES	\$0.00	\$0.00	\$23.55	\$0.00	\$23.55
GRANT FUND REVENUES	\$95,905.11	\$0.00	\$0.00	\$0.00	\$95,905.11
TRANSFERS - CHECKING/CD'S	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TOTALS	\$582,393.80	\$3,792.69	\$5,234.44	\$5,000.00	\$596,420.93
GENERAL FUND EXPENDITURES	\$209,734.79	\$0.00	\$0.00	\$0.00	\$209,734.79
FORESTRY CAMP FUND EXPENDITURES	\$13,607.13	\$0.00	\$0.00	\$0.00	\$13,607.13
SCHOLARSHIP FUND EXPENDITURES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GRANT FUND EXPENDITURES	\$49,685.45	\$0.00	\$0.00	\$0.00	\$49,685.45
TOTALS	\$273,027.37	\$0.00	\$0.00	\$0.00	\$273,027.37
CASH BALANCE JUNE 30, 2010	\$309,366.43	\$3,792.69	\$5,234.44	\$5,000.00	\$323,393.56

CUBA SWCD FUND BALANCES
4TH QUARTER - FY 09-10

	GENERAL	FORESTRY CAMP	SCHOLARSHIP	GRANT	TOTAL
FUND BALANCE 07-01-09	\$254,862.58	\$12,103.83	\$5,210.89	\$29,359.48	\$301,536.78
TRANSFERS	(\$3,000.00)	\$3,000.00	\$0.00	\$0.00	\$0.00
REVENUES	\$192,245.49	\$6,710.00	\$23.55	\$95,905.11	\$294,884.15
EXPENDITURES	\$209,734.79	\$13,607.13	\$0.00	\$49,685.45	\$273,027.37
FUND BALANCE 06-30-10	\$234,373.28	\$8,206.70	\$5,234.44	\$75,579.14	\$323,393.56

	Last Qtr. Tot.	April	May	June	Qtr. Total	Y-T-D	2010 Budget	Balance	% Used
REVENUES									
Sandoval County Mill Levy	\$78,388.03	\$1,277.85	\$25,804.74	\$11,594.95	\$38,677.54	\$117,065.57	\$95,000.00	(\$22,065.57)	123.23%
Rio Arriba County Mill Levy	\$39,891.43	\$1,075.61	\$10,811.85	\$8,051.30	\$19,938.76	\$59,830.19	\$60,000.00	(\$9,830.19)	119.66%
Interest	\$194.39	\$6.23	\$6.55	\$6.85	\$19.63	\$214.02	\$400.00	\$185.98	53.51%
County	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
Other	\$1,402.50	\$250.00	\$150.00	\$0.00	\$400.00	\$1,802.50	\$2,500.00	\$697.50	72.10%
NRCS Rent & Utilities	\$0.00	\$3,800.00	\$0.00	\$0.00	\$3,800.00	\$3,800.00	\$3,240.00	(\$560.00)	117.28%
NMDA	\$9,533.21	\$0.00	\$0.00	\$0.00	\$0.00	\$9,533.21	\$10,000.00	\$466.79	95.33%
Grant Admin fees - RPMC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
TOTALS	\$129,409.56	\$6,409.69	\$36,773.14	\$19,653.10	\$62,835.93	\$192,245.49	\$161,140.00	(\$31,105.49)	119.30%
NMFA Building Loan Proceeds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$869,700.00	\$869,700.00	0.00%
FUND TRANSFERS - IN									
Grant Fund - Personnel/Admin	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,000.00	\$5,000.00	0.00%
TOTAL REV. & TRANSFERS	\$129,409.56	\$6,409.69	\$36,773.14	\$19,653.10	\$62,835.93	\$192,245.49	\$1,035,840.00	\$843,594.51	18.56%
EXPENDITURES									
CAPITAL OUTLAY									
Debt Service - Truck	\$4,567.50	\$507.50	\$507.50	\$507.50	\$1,522.50	\$6,090.00	\$6,090.00	\$0.00	100.00%
Debt Service - Building	\$39,301.92	\$4,944.16	\$4,944.16	\$4,944.16	\$14,832.48	\$54,134.40	\$49,190.24	(\$4,944.16)	110.05%
TOTAL	\$43,869.42	\$5,451.66	\$5,451.66	\$5,451.66	\$16,354.98	\$60,224.40	\$55,280.24	(\$4,944.16)	108.94%
Personnel Services									
Salaries (f-t)	\$47,218.38	\$5,444.46	\$4,568.50	\$5,779.10	\$15,792.06	\$63,010.44	\$63,586.00	\$575.56	99.09%
Salaries (p-t)	\$5,809.39	\$2,012.35	\$757.13	\$655.18	\$3,424.66	\$9,234.05	\$13,580.00	\$4,345.95	68.00%
Medicare	\$476.76	\$269.62	\$0.00	\$243.07	\$512.69	\$989.45	\$1,119.00	\$129.55	88.42%
P.E.R.A.	\$3,423.80	\$342.38	\$342.38	\$342.38	\$1,027.14	\$4,450.94	\$4,452.00	\$1.06	99.98%
Workmen's Comp.	\$36.80	\$20.70	\$0.00	\$23.00	\$43.70	\$80.50	\$5,000.00	\$4,919.50	1.61%
Unemp. Ins.	\$58.20	\$52.39	\$0.00	\$50.54	\$102.93	\$161.13	\$264.00	\$102.87	61.03%
Health Ins.	\$6,619.88	\$694.02	\$694.02	\$694.02	\$2,082.06	\$8,701.94	\$8,328.00	(\$373.94)	104.49%
FICA	\$206.06	\$160.77	\$0.00	\$198.97	\$359.74	\$665.80	\$842.00	\$276.20	67.20%
TOTALS	\$63,849.27	\$8,996.69	\$6,362.03	\$7,986.26	\$23,344.98	\$87,194.25	\$97,171.00	\$9,976.75	89.73%
Administrative									
Mfg./Per Diem	\$1,988.25	\$350.31	\$323.10	\$223.72	\$897.13	\$2,885.38	\$12,500.00	\$9,614.62	23.08%
Bonding	\$180.00	\$0.00	\$0.00	\$0.00	\$0.00	\$180.00	\$180.00	\$0.00	100.00%
Election	\$86.70	\$89.00	\$450.00	\$0.00	\$539.00	\$625.70	\$1,000.00	\$374.30	62.57%
Professional Services	\$14,223.65	\$35.95	\$37.77	\$24.20	\$97.92	\$14,321.57	\$10,000.00	(\$4,321.57)	143.22%
Dues	\$2,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,500.00	\$2,500.00	\$0.00	100.00%
Education & Training	\$820.00	\$0.00	\$0.00	\$0.00	\$0.00	\$820.00	\$850.00	\$30.00	96.47%
Gross Rcts. Tax	\$65.13	\$0.00	\$0.00	\$22.50	\$22.50	\$87.63	\$150.00	\$62.37	58.42%
TOTALS	\$19,863.73	\$475.26	\$810.87	\$270.42	\$1,556.55	\$21,420.28	\$27,180.00	\$5,759.72	78.81%

	Last Qtr. Tot.	April	May	June	Qtr. Total	Y-T-D	2010 Budget	Balance	% Used
Operational									
Office Supplies	\$578.51	\$47.92	\$17.96	\$0.00	\$65.88	\$744.39	\$2,900.00	\$2,155.61	25.67%
Adv./Legal Notices	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$200.00	\$200.00	0.00%
Rental Fees	\$1,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,500.00	\$3,600.00	\$2,100.00	41.67%
Subscriptions	\$20.00	\$0.00	\$0.00	\$0.00	\$0.00	\$20.00	\$40.00	\$20.00	50.00%
Equip. Maint. & Rep.	\$170.30	\$0.00	\$0.00	\$0.00	\$0.00	\$170.30	\$300.00	\$129.70	56.77%
Postage	\$631.08	\$95.03	\$0.00	\$206.99	\$302.02	\$933.10	\$1,200.00	\$266.90	77.76%
Utilities	\$2,768.86	\$280.69	\$253.20	\$258.59	\$792.48	\$3,561.34	\$4,500.00	\$938.66	79.14%
Vehicle Operation & Maintenance	\$2,733.23	\$146.75	\$63.89	\$71.30	\$281.94	\$3,015.17	\$6,000.00	\$2,984.83	50.25%
TOTALS	\$8,501.98	\$570.39	\$335.05	\$536.88	\$1,442.32	\$9,944.30	\$18,740.00	\$8,795.70	53.06%
Conservation Education									
Outdoor Classroom	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,500.00	\$1,500.00	0.00%
Soil Stewardship	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$200.00	\$200.00	0.00%
District Publications	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$350.00	\$350.00	0.00%
School Activities	\$154.80	\$0.00	\$0.00	\$0.00	\$0.00	\$154.80	\$1,000.00	\$845.20	15.48%
Community Awareness	\$100.00	\$0.00	\$100.00	\$0.00	\$100.00	\$200.00	\$2,400.00	\$2,200.00	8.33%
Awards/Presentations	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$400.00	\$400.00	0.00%
TOTALS	\$254.80	\$0.00	\$100.00	\$0.00	\$100.00	\$354.80	\$6,860.00	\$5,495.20	6.06%
Conservation Projects									
Forest Health	\$0.00	\$0.00	\$0.00	\$2,634.00	\$2,634.00	\$2,634.00	\$25,000.00	\$22,366.00	10.54%
Range Improvements	\$11,333.44	\$0.00	\$0.00	\$0.00	\$0.00	\$11,333.44	\$16,500.00	\$5,166.56	68.69%
Community Ditches	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$16,500.00	\$16,500.00	0.00%
Cropland Improvements	\$12,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$12,000.00	\$16,500.00	\$4,500.00	72.73%
Rodent/Insect Control	\$4,629.32	\$0.00	\$0.00	\$0.00	\$0.00	\$4,629.32	\$5,000.00	\$370.68	92.59%
Erosion Control	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,500.00	\$5,500.00	0.00%
Weed Control	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,500.00	\$3,500.00	0.00%
TOTALS	\$27,962.76	\$0.00	\$0.00	\$2,634.00	\$2,634.00	\$30,596.76	\$88,500.00	\$57,903.24	34.57%
Headquarters Building Project									
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$869,700.00	\$869,700.00	0.00%
TOTAL EXPEND.	\$164,301.96	\$15,494.00	\$13,059.61	\$16,879.22	\$45,432.83	\$209,734.79	\$1,162,421.24	\$952,686.45	18.04%
FUND TRANSFERS									
Forestry Camp Fund	\$3,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,000.00	\$3,000.00	\$0.00	100.00%
Special Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
TOTAL TRANSFERS	\$3,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,000.00	\$3,000.00	\$0.00	100.00%
TOTAL EXP./TRANS.	\$167,301.96	\$15,494.00	\$13,059.61	\$16,879.22	\$45,432.83	\$212,734.79	\$1,165,421.24	\$952,686.45	18.25%

	Last Qtr. Tot.	April	May	June	Qtr. Total	Y-T-D	2010 Budget	Balance	% Used
REVENUES									
Registrations	\$500.00	\$1,650.00	\$2,755.00	\$0.00	\$4,405.00	\$4,905.00	\$3,500.00	(\$1,405.00)	140.14%
Donations/Tuition	\$395.00	\$0.00	\$200.00	\$1,165.00	\$1,365.00	\$1,760.00	\$6,000.00	\$4,240.00	29.33%
Sales	\$0.00	\$0.00	\$0.00	\$45.00	\$45.00	\$45.00	\$150.00	\$105.00	30.00%
TOTALS	\$895.00	\$1,650.00	\$2,955.00	\$1,210.00	\$5,815.00	\$6,710.00	\$9,650.00	\$2,940.00	69.53%
FUND TRANSFERS									
General Fund	\$3,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,000.00	\$3,000.00	\$0.00	100.00%
TOTAL REV. & TRANS.	\$3,895.00	\$1,650.00	\$2,955.00	\$1,210.00	\$5,815.00	\$9,710.00	\$12,650.00	\$2,940.00	76.76%
EXPENDITURES									
Printing/Promotion	\$215.40	\$0.00	\$955.00	\$0.00	\$955.00	\$1,170.40	\$1,000.00	(\$170.40)	117.04%
Postage	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
Telephone	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
Supplies	\$586.17	\$0.00	\$180.63	\$636.47	\$817.10	\$1,403.27	\$1,000.00	(\$403.27)	140.33%
Camp Fees	\$5,875.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,875.00	\$12,875.00	\$7,000.00	45.63%
Personnel/Program	\$432.86	\$0.00	\$0.00	\$2,772.65	\$2,772.65	\$3,205.51	\$1,800.00	(\$1,405.51)	178.08%
Transportation	\$0.00	\$0.00	\$0.00	\$847.50	\$847.50	\$847.50	\$700.00	(\$147.50)	121.07%
Insurance	\$0.00	\$0.00	\$0.00	\$540.76	\$540.76	\$540.76	\$1,100.00	\$559.24	49.16%
Food	\$248.08	\$0.00	\$0.00	\$313.36	\$313.36	\$561.44	\$500.00	(\$61.44)	112.29%
Taxes	\$0.00	\$0.00	\$0.00	\$3.25	\$3.25	\$3.25	\$10.00	\$6.75	32.50%
TOTALS	\$7,357.51	\$0.00	\$1,135.63	\$5,113.99	\$6,249.62	\$13,607.13	\$18,985.00	\$5,377.87	71.67%

	Last Qtr. Tot.	April	May	June	Qtr. Total	Y-T-D	2010 Budget	Balance	% Used
REVENUES									
Sales	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,000.00	\$1,000.00	0.00%
Interest	\$19.64	\$0.00	\$0.00	\$3.91	\$3.91	\$23.55	\$20.00	(\$3.55)	117.75%
TOTALS	\$19.64	\$0.00	\$0.00	\$3.91	\$3.91	\$23.55	\$1,020.00	\$996.45	2.31%
EXPENDITURES									
Scholarships	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,000.00	\$2,000.00	0.00%
TOTALS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,000.00	\$2,000.00	0.00%

	Last Qtr. Tot.	April	May	June	Qtr. Total	Y-T-D	2010 Budget	Balance	% Used
REVENUES									
Weed Program	\$12,087.67	\$10,000.00	\$0.00	\$0.00	\$10,000.00	\$22,087.67	\$15,000.00	(\$7,087.67)	147.25%
Salt Cedar	\$7,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$7,000.00	\$30,000.00	\$23,000.00	23.33%
Forest Health	\$48,677.94	(\$388.50)	\$6,000.00	\$12,528.00	\$18,139.50	\$66,817.44	\$120,000.00	\$53,182.56	55.68%
Water Quality & Cons.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$30,000.00	\$30,000.00	0.00%
Grant Admin. Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,000.00	\$10,000.00	0.00%
TOTALS	\$67,765.61	\$9,611.50	\$6,000.00	\$12,528.00	\$28,139.50	\$95,905.11	\$205,000.00	\$109,094.89	46.78%
FUND TRANSFERS									
General Fund - Labor/Admin.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$5,000.00)	(\$5,000.00)	0.00%
Forestry Camp Fund	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
TOTAL TRANS.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$5,000.00)	(\$5,000.00)	0.00%
TOTAL REV. & TRANS.	\$67,765.61	\$9,611.50	\$6,000.00	\$12,528.00	\$28,139.50	\$95,905.11	\$200,000.00	\$104,094.89	47.95%
EXPENDITURES									
Special Projects									
Weed Program	\$1,587.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,587.00	\$15,000.00	\$13,413.00	10.58%
Salt Cedar	\$254.34	\$0.00	\$0.00	\$0.00	\$0.00	\$254.34	\$30,000.00	\$29,745.66	0.85%
Forest Health	\$34,336.61	\$0.00	\$0.00	\$10,536.00	\$10,536.00	\$44,872.61	\$120,000.00	\$75,127.39	37.39%
Water Quality & Cons.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$30,000.00	\$30,000.00	0.00%
Outdoor Classroom	\$0.00	\$0.00	\$0.00	\$2,971.50	\$2,971.50	\$2,971.50	\$3,800.00	\$828.50	78.20%
TOTAL EXPENDITURES	\$36,177.95	\$0.00	\$0.00	\$13,507.50	\$13,507.50	\$49,685.45	\$198,800.00	\$149,114.55	24.99%

**STATE OF NEW MEXICO
CUBA SOIL AND WATER CONSERVATION DISTRICT**

**Schedule of Findings and Responses
Year Ended June 30, 2010**

	<u>Type of Finding *</u>	<u>Prior Year Finding Number</u>	<u>Current Year Finding Number</u>
Current Year Findings:			
Late Report	D	N/A	2010-1
Financial Reports/Incorrect Cash Balances	C	N/A	2010-2
Capital Assets	C	N/A	2010-3
Follow-up on Prior Year Findings:			
None	N/A	N/A	N/A

*** Legend for Findings:**

- A. Fraud
- B. Illegal Act(s)
- C. Internal Control Deficiency(ies)
- D. Noncompliance

**STATE OF NEW MEXICO
CUBA SOIL AND WATER CONSERVATION DISTRICT**

**Schedule of Findings and Responses
Year Ended June 30, 2010**

2010-1

Late Report

Criteria

Office of the State Auditor, Rule 2010, Section 2.2.2.16.H, requires local public bodies with a June 30 fiscal year end to submit agreed-upon procedures reports no later than December 1 of that year.

Condition

The Cuba Soil and Water Conservation District has a June 30 year end but the agreed-upon procedures report for the year ended June 30, 2010 was submitted after December 1, 2010.

Cause

The Cuba Soil and Water Conservation District began the request for proposal process in December 2011. The agreed-upon procedures contract was not approved by the State Auditor until March 21, 2012.

Effect

The Cuba Soil and Water Conservation District has not complied with Office of the State Auditor, Rule 2010, Section 2.2.2.16.H.

Recommendation

We recommend that the Cuba Soil and Water Conservation District submit all future agreed-upon procedures reports by the required deadline.

Entity Response

“During the development of the tiered audit system, the District fell behind in annual audits. When the tiered system was adopted, the District had difficulty finding an auditor who was willing to conduct agreed-upon procedures in Cuba at a reasonable fee. The District has contracted for the FY10 and FY11 agreed-upon procedures, and is developing the contract for FY12. The District will be current on the requirements in the future.”

**STATE OF NEW MEXICO
CUBA SOIL AND WATER CONSERVATION DISTRICT**

**Schedule of Findings and Responses
Year Ended June 30, 2010**

2010-2

Quarterly Financial Reports/Incorrect Cash Balances

Criteria

Section 6-6-2 (B) NMSA, 1978 requires each local public body to submit periodic financial reports, at least quarterly, to the DFA-LGD. Section 6-6-3 NMSA, 1978 Compilation states that every local public body shall make all reports as may be required by the Department of Finance and Administration-Local Government Division (DFA-LGD) and conform to the rules and regulations adopted by the DFA-LGD. The required financial reports include quarterly beginning balances, activity and ending balances on all cash and investment accounts and should agree with the general ledger balances.

Condition

Random tests of bank reconciliations revealed that, for the general checking account, the monthly reconciliations did not agree with the general ledger but did agree with quarterly financial reports submitted to DFA-LGD. We noted that for each month from July through November 2009, the difference in the "reconciled" amount to the general ledger was \$350. From December 2009 through June 2010, the difference in the "reconciled" amount to the general ledger was \$400.

Cause

The differences for the general account were discussed with the District Clerk during the engagement and were identified originally as three (\$350) and then four (\$400) old outstanding checks that were subsequently voided.

Effect

The Cuba Soil and Water Conservation District has not fully complied with Sections 6-6-2 and 6-6-3 NMSA 1978.

Recommendation

We recommend that the Cuba Soil and Water Conservation District submit quarterly financial reports that agree with the general ledger balances.

Entity Response

"The District Clerk does not have an accounting background and did not know how to properly use the general ledger. The District Clerk will seek training on how to insure that monthly balances agree with the general ledger."

**STATE OF NEW MEXICO
CUBA SOIL AND WATER CONSERVATION DISTRICT**

**Schedule of Findings and Responses
Year Ended June 30, 2010**

2010-3

Capital Assets

Criteria

Section 12-6-10 (A) NMSA, 1978 states, in part, that the governing authority shall, at the end of each fiscal year, conduct a physical inventory of moveable chattels and equipment costing more than five thousand dollars (\$5,000). The inventory shall list the chattels and equipment and the date and cost of acquisition. No agency shall be required to list any item costing five thousand dollars (\$5,000) or less. Upon completion, the inventory shall be certified by the governing authority as to correctness.

Condition

The Cuba Soil and Water Conservation District conducted an annual inventory but the two asset values listed (vehicle and building) show loan payments made not the acquisition costs.

Cause

The Cuba Soil and Water Conservation District was not aware of the valuation requirements of Section 12-6-10.

Effect

The Cuba Soil and Water Conservation District has not complied with Section 12-6-10 NMSA 1978.

Recommendation

We recommend that the Cuba Soil and Water Conservation District record the acquisition cost of capital assets to comply with Section 12-6-10 NMSA 1978. We further recommend that the Cuba Soil and Water Conservation District balance sheet amounts be adjusted to reflect the total acquisition costs.

Entity Response

“The District Clerk does not have an accounting background and did not know how to properly record fixed asset values. The District Clerk will correct the balance sheet to reflect the total acquisition costs of the truck and building.”

**STATE OF NEW MEXICO
CUBA SOIL AND WATER CONSERVATION DISTRICT**

**Exit Conference
Year Ended June 30, 2010**

EXIT CONFERENCE

The report contents were discussed at an exit conference held on June 28, 2012 with the following in attendance:

Cuba Soil and Water Conservation District

James Montoya, Board Chairman
Peggy Ohler, District Clerk

Accounting Firm

James R. (Jim) Macias, CPA