



MACIAS, GUTIERREZ & CO., P.C.  
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# **STATE OF NEW MEXICO**

# **CUBA SOIL AND WATER CONSERVATION DISTRICT**

Independent Accountants' Report on Applying  
Agreed-Upon Procedures

Year Ended June 30, 2011

**STATE OF NEW MEXICO**

**CUBA SOIL AND WATER  
CONSERVATION DISTRICT**

**Independent Accountants' Report on Applying  
Agreed-Upon Procedures**

**Year Ended June 30, 2011**

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

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June 30, 2011**

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

**Official Roster  
at June 30, 2011**

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<u>Name</u>		<u>Title</u>
	<b><u>Board of Supervisors</u></b>	
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
	<b><u>Staff</u></b>	
Brian Velarde		Program Coordinator
Peggy Ohler		District Clerk



Macias, Gutierrez  
& Co., P.C.

*Certified Public Accountants  
Member AICPA, NMSCPA*

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## **INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES**

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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, 2011 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 (with the exception of August 2010) from July 2010 through May 2011, the difference in the "reconciled" amount to the general ledger was \$400. For August 2010, the difference in the "reconciled" amount to the general ledger was \$425.

The differences for the general account were discussed with the District Clerk during the engagement and were identified originally as four (\$400) and then five (\$425) old outstanding checks that were subsequently voided. At June 30, 2011, there was no difference for the general checking account since all old outstanding checks were voided.

Random tests of reconciliations for the other two accounts and the CD revealed no differences between the reconciled balances and the general ledger.

- 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 prior and current-year payments made on the vehicle loan as the vehicle book value, not the total vehicle cost. Prior and current-year payments made on the building loan, architectural fees and some construction costs are recorded as the Building book value, not only architectural fees and 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.

Select a sample of revenues based on auditor judgment and test using the following attributes:

- b) Amount recorded in the general ledger agrees to the supporting documentation and the bank statement.

- c) Proper recording of classification, amount, and period per review of supporting documentation and the general ledger. Perform this revenue work on the same accounting basis that the local public body keeps its accounting records on, cash basis, modified accrual basis, or accrual basis.

### **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 based on auditor judgment and test using the following attributes:

- a) Determine that amount recorded as disbursed agrees to adequate supporting documentation. Verify that amount, payee, date and description agree to the vendor's invoice, purchase order, contract and 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. There were no journal entries posted to the general ledger during the year.

## **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 were two subsequent budget adjustments 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, for the General, Scholarship and Grant Funds. However, total actual expenditures exceeded the total final budget in the amount of \$7,838 for the Forestry Camp Fund.
- 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 Budget Overexpended) 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 26, 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, 2011**

**GENERAL FUND**

	Budgeted Amounts		Actuals	Variance
	Original	Final		Favorable (Unfavorable)
<b>Revenues and transfers-in:</b>				
Sandoval County Mill Levy	\$ 130,000	\$ 130,000	\$ 138,622	\$ 8,622
Rio Arriba County Mill Levy	60,000	60,000	92,733	32,733
Interest	205	205	119	(86)
Other	2,000	2,000	1,963	(37)
NRCS Rent & Utilities	-	-	-	-
NMDA	9,000	9,000	8,797	(203)
NMFA Building Loan Proceeds	840,000	840,000	12,985	(827,015)
Transfer-in from Grant fund	10,000	10,000	-	(10,000)
	<u>1,051,205</u>	<u>1,051,205</u>	<u>255,219</u>	<u>(795,986)</u>
Total revenues and transfers-in	1,051,205	1,051,205	255,219	(795,986)
Cash balance budgeted	-	-	-	-
Total revenues and cash balance budgeted	<u>\$ 1,051,205</u>	<u>\$ 1,051,205</u>	<u>255,219</u>	<u>(795,986)</u>

**Expenditures and transfers-out:**

**CAPITAL OUTLAY**

Debt Service - Truck	\$ 6,090	\$ 6,090	6,090	-
Debt Service - Building	59,330	59,330	59,330	-
Totals	<u>65,420</u>	<u>65,420</u>	<u>65,420</u>	<u>-</u>

**PERSONNEL SERVICE**

Salaries (f-t)	63,586	63,586	63,586	-
Salaries (p-t)	13,580	13,580	7,505	6,075
Medicare	1,119	1,119	966	153
P.E.R.A.	4,452	4,452	4,451	1
Workmen's Comp.	5,000	5,000	78	4,922
Unemployment Insurance	170	170	264	(94)
Health Insurance	8,400	8,400	8,328	72
FICA	842	842	465	377
Totals	<u>97,149</u>	<u>97,149</u>	<u>85,643</u>	<u>11,506</u>

**ADMINISTRATIVE**

Mileage and Per Diem	7,000	7,000	3,278	3,722
Bonding	180	180	53	127
Election	-	-	-	-
Professional Services	10,000	10,000	1,329	8,671
Dues	2,500	2,500	2,500	-
Education & Training	850	850	115	735
Gross Receipts Taxes	150	150	28	122
Totals	<u>20,680</u>	<u>20,680</u>	<u>7,303</u>	<u>13,377</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, 2011**

**GENERAL FUND**

	Budgeted Amounts		Actuals	Variance
	Original	Final		Favorable (Unfavorable)
<b>OPERATIONAL</b>				
Office Supplies	\$ 2,900	\$ 2,900	\$ 2,653	\$ 247
Advertising/Legal Notices	200	200	54	146
Rental Fees	-	-	-	-
Subscriptions	40	40	-	40
Equipment Maintenance & Repair	300	300	173	127
Postage	1,200	1,200	716	484
Utilities	4,500	4,500	2,814	1,686
Vehicle Operation & Maintenance	6,000	6,000	2,728	3,272
Totals	<u>15,140</u>	<u>15,140</u>	<u>9,138</u>	<u>6,002</u>

**CONSERVATION EDUCATION**

Outdoor Classroom	3,000	3,000	-	3,000
Soil Stewardship	200	200	-	200
District Publications	350	350	-	350
School Activities	1,000	1,000	252	748
Community Awareness	2,400	2,400	964	1,436
Awards/Presentations	400	400	-	400
Totals	<u>7,350</u>	<u>7,350</u>	<u>1,216</u>	<u>6,134</u>

**CONSERVATION PROJECTS**

Forest Health	13,000	13,000	-	13,000
Range Improvements	16,500	16,500	15,203	1,297
Community Ditches	16,500	16,500	-	16,500
Cropland Improvements	16,500	16,500	4,130	12,370
Rodent/Insect Control	5,000	5,000	5,746	(746)
Erosion Control	5,500	5,500	-	5,500
Weed Control	3,500	3,500	375	3,125
Totals	<u>76,500</u>	<u>76,500</u>	<u>25,454</u>	<u>51,046</u>

Headquarters Building Project	819,700	819,700	56,605	763,095
Transfers to Forestry Camp Fund	<u>4,000</u>	<u>8,000</u>	<u>8,000</u>	<u>-</u>

Total expenditures and transfers-out	<u>\$ 1,105,939</u>	<u>\$ 1,109,939</u>	<u>\$ 258,779</u>	<u>\$ 851,160</u>
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Excess (deficiency) of revenues and transfers-in over expenditures and transfers-out			<u>\$ (3,560)</u>	<u>\$ 55,174</u>
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**STATE OF NEW MEXICO  
CUBA SOIL AND WATER CONSERVATION DISTRICT  
Schedule of Revenues and Expenditures-Budget and Actual (Cash Basis)  
Year Ended June 30, 2011**

<b>FORESTRY CAMP FUND</b>	<u>Budgeted Amounts</u>		<u>Actuals</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<b>Revenues and transfers-in:</b>				
Registrations	\$ 4,000	\$ 4,000	\$ -	\$ (4,000)
Donations/Tuition	6,000	6,000	7,089	1,089
Sales	150	150	20	(130)
Transfer-in from General fund	4,000	8,000	8,000	-
Total revenues and transfers-in	14,150	18,150	15,109	(3,041)
Cash balance budgeted	-	-	-	-
Total revenues and cash balance budgeted	<u>\$ 14,150</u>	<u>\$ 18,150</u>	15,109	<u>(3,041)</u>
<b>Expenditures:</b>				
Printing/Promotion	\$ 1,000	\$ 1,000	1,132	(132)
Postage	-	-	-	-
Telephone	-	-	-	-
Supplies	1,000	1,000	316	684
Camp Fees	8,000	8,000	16,975	(8,975)
Personnel/Program	1,800	1,800	1,694	106
Transportation	700	700	790	(90)
Insurance	1,100	1,100	541	559
Food	500	500	500	-
Taxes	10	10	-	10
Total expenditures	<u>\$ 14,110</u>	<u>\$ 14,110</u>	21,948	<u>(7,838)</u>
Excess revenues over expenditures			<u>\$ (6,839)</u>	<u>\$ (10,879)</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, 2011**

**SCHOLARSHIP FUND**

	Budgeted Amounts		Actuals	Variance
	Original	Final		Favorable (Unfavorable)
<b>Revenues and transfers-in:</b>				
Sales	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
Interest	25	25	4	(21)
Total revenues and transfers-in	1,025	1,025	4	(1,021)
Cash balance budgeted	-	-	-	-
Total revenues and cash balance budgeted	<u>\$ 1,025</u>	<u>\$ 1,025</u>	4	<u>(1,021)</u>
<b>Expenditures:</b>				
Service Charge	\$ -	\$ -	-	-
Scholarships	2,000	2,000	2,000	-
Total expenditures	<u>\$ 2,000</u>	<u>\$ 2,000</u>	2,000	-
Excess revenues over expenditures			<u>\$ (1,996)</u>	<u>\$ (1,021)</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, 2011**

<b>GRANT FUND</b>	<u>Budgeted Amounts</u>		<u>Actuals</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable</u> <u>(Unfavorable)</u>
<b>Revenues and transfers-in:</b>				
Weed Program	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Salt Cedar	10,000	10,000	-	(10,000)
Forest Health	65,000	65,000	60,365	(4,635)
Water Quality and Conservation	30,000	30,000	-	(30,000)
Grant Administration Fees	5,000	5,000	-	(5,000)
	<u>115,000</u>	<u>115,000</u>	<u>60,365</u>	<u>(54,635)</u>
Total revenues and transfers-in				
Cash balance budgeted	-	-	-	-
Total revenues and cash balance budgeted	<u>\$ 115,000</u>	<u>\$ 115,000</u>	<u>60,365</u>	<u>(54,635)</u>
<b>Expenditures and transfers-out:</b>				
Weed Program	\$ 5,000	\$ 5,000	128	4,872
Salt Cedar	10,000	10,000	-	10,000
Forest Health	65,000	65,000	108,256	(43,256)
Water Quality and Conservation	30,000	30,000	-	30,000
Outdoor Classroom	-	-	-	-
Transfer to General Fund	10,000	10,000	-	10,000
	<u>\$ 120,000</u>	<u>\$ 120,000</u>	<u>108,384</u>	<u>11,616</u>
Total expenditures				
Excess revenues over expenditures			<u>\$ (48,019)</u>	<u>\$ (43,019)</u>

CUBA SWCD CASH RECONCILIATION REPORT  
4TH QUARTER - FY 10-11

	CHECKING	McCUNE CKG	SCHLRSHIP	CD'S	TOTAL
CASH BALANCE JULY 1, 2010	\$309,366.43	\$3,792.69	\$5,234.44	\$5,000.00	\$323,393.56
GENERAL FUND REVENUES	\$219,545.00	\$0.00	\$0.00	\$0.00	\$219,545.00
FORESTRY CAMP FUND REVENUES	\$7,108.50	\$0.00	\$0.00	\$0.00	\$7,108.50
SCHOLARSHIP FUND REVENUES	\$0.00	\$0.00	\$4.09	\$0.00	\$4.09
GRANT FUND REVENUES	\$96,038.77	\$0.00	\$0.00	\$0.00	\$96,038.77
TRANSFERS - CHECKING/CD'S	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>TOTALS</b>	<b>\$632,058.70</b>	<b>\$3,792.69</b>	<b>\$5,238.53</b>	<b>\$5,000.00</b>	<b>\$646,089.92</b>
GENERAL FUND EXPENDITURES	\$250,780.51	\$0.00	\$0.00	\$0.00	\$250,780.51
FORESTRY CAMP FUND EXPENDITURES	\$21,947.96	\$0.00	\$0.00	\$0.00	\$21,947.96
SCHOLARSHIP FUND EXPENDITURES	\$0.00	\$0.00	\$2,000.00	\$0.00	\$2,000.00
GRANT FUND EXPENDITURES	\$108,383.76	\$0.00	\$0.00	\$0.00	\$108,383.76
<b>TOTALS</b>	<b>\$381,112.23</b>	<b>\$0.00</b>	<b>\$2,000.00</b>	<b>\$0.00</b>	<b>\$383,112.23</b>
CASH BALANCE JUNE 30, 2011	\$250,946.47	\$3,792.69	\$3,238.53	\$5,000.00	\$262,977.69

CUBA SWCD FUND BALANCES  
4TH QUARTER - FY 10-11

	GENERAL	FORESTRY CAMP	SCHOLARSHIP	GRANT	TOTAL
FUND BALANCE 07-01-10	\$234,373.28	\$8,206.70	\$5,234.44	\$75,579.14	\$323,393.56
TRANSFERS	(\$8,000.00)	\$8,000.00	\$0.00	\$0.00	\$0.00
REVENUES	\$219,545.00	\$7,108.50	\$4.09	\$96,038.77	\$322,696.36
EXPENDITURES	\$250,780.51	\$21,947.96	\$2,000.00	\$108,383.76	\$383,112.23
FUND BALANCE 06-30-11	\$195,137.77	\$1,367.24	\$3,238.53	\$63,234.15	\$262,977.69



REVENUES	Last Ctr. Tot.	April	May	June	Qtr. Total	Y-T-D	2011 BUDGET	Balance	% Used
Sandoval County Mill Levy	\$82,366.66	\$1,894.59	\$0.00	\$35,221.82	\$37,116.41	\$119,483.07	\$130,000.00	\$10,516.93	91.91%
Rio Arriba County Mill Levy	\$55,669.48	\$793.73	\$8,295.64	\$11,438.95	\$20,528.32	\$76,197.80	\$60,000.00	(\$16,187.80)	127.00%
Interest	\$101.99	\$5.93	\$5.66	\$0.00	\$17.95	\$119.04	\$205.00	\$85.96	58.07%
County	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
Other	\$862.50	\$650.00	\$50.00	\$400.00	\$1,100.00	\$1,962.50	\$2,000.00	\$37.50	98.13%
NRCS Rent & Utilities	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
NMIDA	\$8,797.28	\$0.00	\$0.00	\$0.00	\$0.00	\$8,797.28	\$9,000.00	\$202.72	97.75%
Grant Admin fees - RPMC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
<b>TOTALS</b>	<b>\$183,471.83</b>	<b>\$3,344.25</b>	<b>\$8,351.30</b>	<b>\$47,066.23</b>	<b>\$58,761.78</b>	<b>\$206,559.69</b>	<b>\$201,205.00</b>	<b>(\$5,354.69)</b>	<b>102.66%</b>
NMFA Building Loan Proceeds	\$12,985.31	\$0.00	\$0.00	\$0.00	\$0.00	\$12,985.31	\$640,000.00	\$627,014.69	1.55%
<b>FUND TRANSFERS - IN</b>									
Grant Fund - Personnel/Admin	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,000.00	\$10,000.00	0.00%
<b>TOTAL REV. &amp; TRANSFERS</b>	<b>\$196,457.14</b>	<b>\$3,344.25</b>	<b>\$8,351.30</b>	<b>\$47,066.23</b>	<b>\$58,761.78</b>	<b>\$219,545.00</b>	<b>\$1,051,205.00</b>	<b>\$831,650.00</b>	<b>20.89%</b>
<b>EXPENDITURES</b>									
Debt Service - Truck	\$4,567.50	\$507.50	\$507.50	\$607.50	\$1,522.50	\$6,090.00	\$6,090.00	\$0.00	100.00%
Debt Service - Building	\$44,497.44	\$4,944.16	\$4,944.14	\$4,944.17	\$14,832.47	\$59,329.91	\$59,330.00	\$0.09	100.00%
<b>Personnel Services</b>	<b>\$49,064.94</b>	<b>\$5,451.66</b>	<b>\$5,451.64</b>	<b>\$5,451.67</b>	<b>\$16,354.97</b>	<b>\$65,419.91</b>	<b>\$65,420.00</b>	<b>\$0.09</b>	<b>100.00%</b>
Salaries (f-t)	\$48,538.43	\$4,667.29	\$4,496.10	\$5,883.84	\$15,047.23	\$63,585.66	\$63,586.00	\$0.34	100.00%
Salaries (p-l)	\$6,081.98	\$0.00	\$794.67	\$628.29	\$1,422.96	\$7,504.94	\$13,580.00	\$6,075.06	55.26%
Medicare	\$748.76	\$0.00	\$0.00	\$217.20	\$217.20	\$955.96	\$1,119.00	\$153.04	85.32%
P.E.R.A.	\$3,252.61	\$513.57	\$342.38	\$342.38	\$1,198.33	\$4,450.94	\$4,452.00	\$1.06	99.95%
Workmen's Comp.	\$62.10	\$0.00	\$0.00	\$16.10	\$16.10	\$76.20	\$5,000.00	\$4,921.80	1.55%
Unemp. Ins.	\$146.85	\$0.00	\$0.00	\$117.39	\$117.39	\$264.24	\$170.00	(\$94.24)	155.44%
Health Ins.	\$6,246.18	\$694.02	\$694.02	\$694.02	\$2,082.06	\$8,328.24	\$8,400.00	\$71.76	99.15%
FICA	\$376.96	\$0.00	\$0.00	\$88.35	\$88.35	\$465.31	\$842.00	\$376.69	55.26%
<b>TOTALS</b>	<b>\$65,453.87</b>	<b>\$5,874.88</b>	<b>\$6,327.17</b>	<b>\$7,987.57</b>	<b>\$20,189.62</b>	<b>\$85,643.49</b>	<b>\$97,149.00</b>	<b>\$11,505.51</b>	<b>88.16%</b>
<b>Administrative</b>									
Mig./Per Diem	\$2,767.95	\$206.50	\$0.00	\$304.00	\$510.50	\$3,278.45	\$7,000.00	\$3,721.55	46.84%
Bonding	\$53.00	\$0.00	\$0.00	\$0.00	\$0.00	\$53.00	\$180.00	\$127.00	29.44%
Election	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
Professional Services	\$1,225.67	\$25.25	\$36.60	\$41.66	\$103.51	\$1,326.18	\$10,000.00	\$8,670.82	13.29%
Dues	\$2,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,500.00	\$2,500.00	\$0.00	100.00%
Education & Training	\$115.00	\$0.00	\$0.00	\$0.00	\$0.00	\$115.00	\$850.00	\$735.00	13.53%
Gross Rcts. Tax	\$27.74	\$0.00	\$0.00	\$0.00	\$0.00	\$27.74	\$150.00	\$122.26	18.49%
<b>TOTALS</b>	<b>\$6,689.36</b>	<b>\$231.75</b>	<b>\$36.60</b>	<b>\$345.66</b>	<b>\$614.01</b>	<b>\$7,303.37</b>	<b>\$20,680.00</b>	<b>\$13,376.63</b>	<b>35.32%</b>

	Last Qtr. Tot.	April	May	June	Qtr. Total	Y-T-D	2011 BUDGET	Balance	% Used
<b>Operational</b>									
Office Supplies	\$1,169.35	\$0.00	\$0.00	\$1,483.42	\$1,483.42	\$2,652.77	\$2,900.00	\$247.23	91.47%
Adv./Legal Notices	\$27.00	\$0.00	\$27.00	\$0.00	\$27.00	\$54.00	\$200.00	\$146.00	27.00%
Rental Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
Subscriptions	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$40.00	\$0.00	0.00%
Equip. Maint. & Rep.	\$61.37	\$0.00	\$6.28	\$105.25	\$111.53	\$172.90	\$300.00	\$127.10	57.63%
Postage	\$621.25	\$95.14	\$0.00	\$0.00	\$95.14	\$716.39	\$1,200.00	\$483.61	59.70%
Utilities	\$2,201.01	\$242.33	\$247.16	\$123.72	\$613.21	\$2,814.22	\$4,500.00	\$1,685.78	62.54%
Vehicle Operation & Maintenance	\$2,409.99	\$92.13	\$108.25	\$117.47	\$317.85	\$2,727.84	\$6,000.00	\$3,272.16	45.45%
<b>TOTALS</b>	<b>\$6,489.97</b>	<b>\$429.60</b>	<b>\$388.69</b>	<b>\$1,829.86</b>	<b>\$2,648.15</b>	<b>\$9,138.12</b>	<b>\$15,140.00</b>	<b>\$6,001.88</b>	<b>60.36%</b>
<b>Conservation Education</b>									
Outdoor Classroom	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,000.00	\$3,000.00	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	\$252.00	\$0.00	\$0.00	\$0.00	\$0.00	\$252.00	\$1,000.00	\$748.00	25.20%
Community Awareness	\$645.00	\$265.00	\$54.00	\$0.00	\$319.00	\$964.00	\$2,400.00	\$1,436.00	40.17%
Awards/Presentations	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$400.00	\$400.00	0.00%
<b>TOTALS</b>	<b>\$897.00</b>	<b>\$265.00</b>	<b>\$54.00</b>	<b>\$0.00</b>	<b>\$319.00</b>	<b>\$1,216.00</b>	<b>\$7,350.00</b>	<b>\$6,134.00</b>	<b>16.54%</b>
<b>Conservation Projects</b>									
Forest Health	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$13,000.00	\$13,000.00	0.00%
Range Improvements	\$15,203.00	\$0.00	\$0.00	\$0.00	\$0.00	\$15,203.00	\$16,500.00	\$1,297.00	92.14%
Community Ditches	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$16,500.00	\$16,500.00	0.00%
Cropland Improvements	\$4,129.95	\$0.00	\$0.00	\$0.00	\$0.00	\$4,129.95	\$16,500.00	\$12,370.05	25.03%
Rodent/Insect Control	\$0.00	\$0.00	\$5,795.71	(\$50.00)	\$5,745.71	\$5,745.71	\$5,000.00	(\$745.71)	114.91%
Erosion Control	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,500.00	\$5,500.00	0.00%
Weed Control	\$375.71	\$0.00	\$0.00	\$0.00	\$0.00	\$375.71	\$3,500.00	\$3,124.29	10.73%
<b>TOTALS</b>	<b>\$19,708.66</b>	<b>\$0.00</b>	<b>\$5,795.71</b>	<b>(\$50.00)</b>	<b>\$5,745.71</b>	<b>\$25,454.37</b>	<b>\$76,500.00</b>	<b>\$51,045.63</b>	<b>33.27%</b>
<b>Headquarters Building Project</b>									
	\$34,635.39	\$10,272.00	\$11,597.86	\$0.00	\$21,969.86	\$56,605.25	\$819,700.00	\$763,094.75	6.91%
<b>TOTAL EXPEND.</b>	<b>\$182,939.19</b>	<b>\$22,524.89</b>	<b>\$29,751.67</b>	<b>\$15,564.76</b>	<b>\$67,841.32</b>	<b>\$250,780.51</b>	<b>\$1,101,939.00</b>	<b>\$851,158.49</b>	<b>22.76%</b>
<b>FUND TRANSFERS</b>									
Forestry Camp Fund	\$4,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,000.00	\$4,000.00	\$0.00	100.00%
Special Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
<b>TOTAL TRANSFERS</b>	<b>\$4,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$4,000.00</b>	<b>\$4,000.00</b>	<b>\$0.00</b>	<b>100.00%</b>
<b>TOTAL EXP./TRANS.</b>	<b>\$186,939.19</b>	<b>\$22,524.89</b>	<b>\$29,751.67</b>	<b>\$15,564.76</b>	<b>\$67,841.32</b>	<b>\$254,780.51</b>	<b>\$1,106,939.00</b>	<b>\$851,158.49</b>	<b>23.04%</b>

	Last Qtr. Tot.	April	May	June	Qtr. Total	Y-T-D	2011 BUDGET	Balance	% Used
<b>REVENUES</b>									
Registrations	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,000.00	\$4,000.00	0.00%
Donations/Tuition	\$500.00	\$0.00	\$638.50	\$5,950.00	\$6,588.50	\$7,088.50	\$6,000.00	(\$1,088.50)	118.14%
Sales	\$20.00	\$0.00	\$0.00	\$0.00	\$0.00	\$20.00	\$150.00	\$130.00	13.33%
<b>TOTALS</b>	<b>\$520.00</b>	<b>\$0.00</b>	<b>\$638.50</b>	<b>\$5,950.00</b>	<b>\$6,588.50</b>	<b>\$7,108.50</b>	<b>\$10,150.00</b>	<b>\$3,041.50</b>	<b>70.03%</b>
<b>FUND TRANSFERS</b>									
General Fund	\$4,000.00	\$0.00	\$0.00	\$4,000.00	\$4,000.00	\$8,000.00	\$4,000.00	(\$4,000.00)	200.00%
<b>TOTAL REV. &amp; TRANS.</b>	<b>\$4,520.00</b>	<b>\$0.00</b>	<b>\$638.50</b>	<b>\$9,950.00</b>	<b>\$10,588.50</b>	<b>\$15,108.50</b>	<b>\$14,150.00</b>	<b>(\$958.50)</b>	<b>106.77%</b>
<b>EXPENDITURES</b>									
Printing/Promotion	\$275.35	\$0.00	\$856.33	\$0.00	\$856.33	\$1,131.68	\$1,000.00	(\$131.68)	113.17%
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	\$0.00	\$0.00	\$0.00	\$315.95	\$315.95	\$315.95	\$1,000.00	\$684.05	31.60%
Camp Fees	\$8,000.00	\$1,000.00	\$8,225.00	(\$250.00)	\$8,975.00	\$16,975.00	\$8,000.00	(\$8,975.00)	212.19%
Personnel/Program	\$0.00	\$0.00	\$0.00	\$1,694.40	\$1,694.40	\$1,694.40	\$1,800.00	\$105.60	94.13%
Transportation	\$0.00	\$0.00	\$0.00	\$790.17	\$790.17	\$790.17	\$700.00	(\$90.17)	112.88%
Insurance	\$0.00	\$0.00	\$540.76	\$0.00	\$540.76	\$540.76	\$1,100.00	\$559.24	49.16%
Food	\$0.00	\$0.00	\$0.00	\$500.00	\$500.00	\$500.00	\$500.00	\$0.00	100.00%
Taxes	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10.00	\$10.00	0.00%
<b>TOTALS</b>	<b>\$8,275.35</b>	<b>\$1,000.00</b>	<b>\$9,622.09</b>	<b>\$3,050.52</b>	<b>\$13,672.61</b>	<b>\$21,947.96</b>	<b>\$14,110.00</b>	<b>(\$7,837.96)</b>	<b>155.55%</b>

	Last Qtr. Tot.	April	May	June	Qtr. Total	Y-T-D	2011 Budget	Balance	% Used
<b>REVENUES</b>									
Sales	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,000.00	\$1,000.00	0.00%
Interest	\$3.28	\$0.00	\$0.00	\$0.81	\$0.81	\$4.09	\$25.00	\$20.91	16.36%
<b>TOTALS</b>	<b>\$3.28</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.81</b>	<b>\$0.81</b>	<b>\$4.09</b>	<b>\$1,025.00</b>	<b>\$1,020.91</b>	<b>0.40%</b>
<b>EXPENDITURES</b>									
Service charge	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
Scholarships	\$2,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,000.00	\$2,000.00	\$0.00	100.00%
<b>TOTALS</b>	<b>\$2,000.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$2,000.00</b>	<b>\$2,000.00</b>	<b>\$0.00</b>	<b>100.00%</b>

REVENUES	Last Qtr. Tot.	April	May	June	Qtr. Total	Y-T-D	2011 BUDGET	Balance	% Used
Weed Program	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,000.00	\$5,000.00	0.00%
Salt Cedar	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,000.00	\$10,000.00	0.00%
Forest Health	\$96,038.77	\$0.00	\$0.00	\$0.00	\$0.00	\$96,038.77	\$65,000.00	(\$31,038.77)	147.75%
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	\$5,000.00	\$5,000.00	0.00%
<b>TOTALS</b>	<b>\$60,364.85</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$96,038.77</b>	<b>\$115,000.00</b>	<b>\$18,961.23</b>	<b>83.51%</b>
<b>FUND TRANSFERS</b>									
General Fund - Labor/Admin.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$10,000.00)	(\$10,000.00)	0.00%
Forestry Camp Fund	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
<b>TOTAL TRANS.</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>(\$10,000.00)</b>	<b>(\$10,000.00)</b>	<b>0.00%</b>
<b>TOTAL REV. &amp; TRANS.</b>	<b>\$60,364.85</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$96,038.77</b>	<b>\$105,000.00</b>	<b>\$8,961.23</b>	<b>91.47%</b>
<b>EXPENDITURES</b>									
<b>Special Projects</b>									
Weed Program	\$127.46	\$0.00	\$0.00	\$0.00	\$0.00	\$127.46	\$5,000.00	\$4,872.54	2.55%
Salt Cedar	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,000.00	\$10,000.00	0.00%
Forest Health	\$108,256.30	\$0.00	\$0.00	\$0.00	\$0.00	\$108,256.30	\$65,000.00	(\$43,256.30)	166.55%
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	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
<b>TOTAL EXPENDITURES</b>	<b>\$108,383.76</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$108,383.76</b>	<b>\$110,000.00</b>	<b>\$1,616.24</b>	<b>98.53%</b>

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

**Schedule of Findings and Responses  
Year Ended June 30, 2011**

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	<u>Type of Finding *</u>	<u>Prior Year Finding Number</u>	<u>Current Year Finding Number</u>
<b>Current Year Findings:</b>			
Late Report	D	2010-1	2010-1
Financial Reports/Incorrect Cash Balances	C	2010-2	2010-2
Capital Assets	C	2010-3	2010-3
Budget Overexpended	D	N/A	2011-1
<b>Follow-up on Prior Year Findings:</b>			
Late Report	D	2010-1	2010-1
Financial Reports/Incorrect Cash Balances	C	2010-2	2010-2
Capital Assets	C	2010-3	2010-3

**\* 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, 2011**

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**2010-1**

**Late Report**

**Criteria**

Office of the State Auditor, Rule 2011, 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, 2011 was submitted after December 1, 2011.

**Cause**

The Cuba Soil and Water Conservation District began the request for proposal process, after the required submission deadline, on December 20, 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 2011, 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, 2011**

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**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 (with the exception of August 2010) from July 2010 through May 2011, the difference in the "reconciled" amount to the general ledger was \$400. For August 2010, the difference in the "reconciled" amount to the general ledger was \$425. The differences for the general account were discussed with the District Clerk during the engagement and were identified originally as four (\$400) and then five (\$425) old outstanding checks that were subsequently voided. At June 30, 2011, there was no difference for the general checking account since all old outstanding checks were voided.

**Cause**

The differences for the general account were discussed with the District Clerk during the engagement and were identified originally as 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 insure that the monthly reconciled balances agree with the general ledger and the quarterly financial reports submitted to DFA-LGD.

**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, 2011**

---

**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. The CSWCD's only capital assets are a truck and construction-in-progress on a new headquarters building. However, the CSWCD has recorded prior and current-year payments made on the vehicle loan as the vehicle book value, not the total vehicle cost. Prior and current-year payments made on the building loan, architectural fees and some construction costs are recorded as the Building book value, not only architectural fees and construction 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**

**Schedule of Findings and Responses  
Year Ended June 30, 2011**

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**2011-1**

**Budget Overexpended**

**Criteria**

Section 6-6-2 (A) NMSA, 1978 requires each local public body to furnish and file with the Department of Finance and Administration-Local Government Division (DFA-LGD), on or before December 1, of each year, a proposed budget for the next fiscal year. Upon receipt of any budget approved by the DFA-LGD, the local public body shall cause such budget to be made a part of the minutes of such body. Section 6-6-6 NMSA 1978 states that when any budget for a local public body has been approved, it is binding upon all officials and governing authorities, and no governing authority or official shall allow or approve claims in excess thereof.

**Condition**

For the Forestry Camp Fund, total actual expenditures exceeded the total final budget by \$7,838 for the year ended June 30, 2011.

**Cause**

The Cuba Soil and Water Conservation District did not recognize that the Forest Camp Fund budget was overexpended by May 2011.

**Effect**

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

**Recommendation**

We recommend that the Cuba Soil and Water Conservation District make appropriate budget adjustments to insure that total actual expenditures do not exceed total budgeted expenditures in any fund.

**Entity Response**

“Delays in billing resulted in the District paying Forestry Camp tuition fees twice in one fiscal year. The problem was recognized in May, 2011 and a budget adjustment resolution was submitted to DFA on May 26, 2011, increasing the transfer of funds from the General Fund to the Forestry Camp Fund by \$4,000. The actual approval for the budget adjustment was not received until September 29, 2011, resulting in the Forestry Camp Fund being overexpended on June 30, 2011. The District will attempt to make any future adjustments to the budget in a timely manner.”

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

**Exit Conference  
Year Ended June 30, 2011**

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**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