



MACIAS, GUTIERREZ & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ESPANOLA, NEW MEXICO
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STATE OF NEW MEXICO

CUBA SOIL AND WATER CONSERVATION DISTRICT

Independent Accountants' Report on Applying
Agreed-Upon Procedures (Tier 4)

Year Ended June 30, 2014

STATE OF NEW MEXICO

**CUBA SOIL AND WATER
CONSERVATION DISTRICT**

**Independent Accountants' Report on Applying
Agreed-Upon Procedures (Tier 4)**

Year Ended June 30, 2014

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

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June 30, 2014**

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

**Official Roster
at June 30, 2014**

<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
Frank Chacon		Member
Melvin Maestas		Member
Julian Sanchez		Member
	<u>Staff</u>	
Brian Velarde		Program Coordinator
Peggy Ohler		District Clerk



Macias, Gutierrez
& Co., P.C.

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Member AICPA, NMSCPA*

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

To: James Montoya, Chairman
Cuba Soil and Water Conservation District #8013
and
Honorable Hector H. Balderas, Esq., CFE
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, 2014 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) At year end, in three different financial institutions, the CSWCD had one General checking account, a savings account (Scholarship Fund) and a certificate of deposit (CD). All reconciliations are performed within weeks of receiving the bank statements and all were complete and on-hand for the entire year.
- b) Random tests of bank reconciliations revealed no exceptions. The reconciliations were accurate and agreed with supporting documentation. We traced the June 30, 2014 cash and investment book balances to the general ledger, supporting documentation and the year-end quarterly financial report submitted to DFA-LGD, without exception.
- c) Bank balances never exceeded uninsured limits and therefore, pledged collateral was not required on any uninsured deposits.

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 which consists of a truck and the new headquarters building. However, the recorded asset values are incorrect. The CSWCD recorded all payments made on the truck loan as the book value, not the actual cost, \$22,588. The loan was paid-off during FY 2012 and the asset reflects the total amount of payments made (\$24,360). The difference, \$1,772, is interest on the loan which should not be included in book value.

Also, similar to prior years, current-year loan payments (12) made on the building loan are included in the Building book value. The final asset value for the building should include only construction costs and capitalized interest paid on the loan only during construction. The building was occupied and placed in-service on October 25, 2012.

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) An analytical review of prior-year to current-year revenue revealed no unexplained or unusual variations. The test of actual revenue compared to budgeted revenue for the year for each type of revenue revealed no exceptions.
- b) We requested supporting documentation for eleven (11) deposits (69% of total revenue) from a total of 24 deposits for the year. For the sample selected, amounts recorded in Quickbooks agreed with supporting documentation and the bank statements without exception.
- 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) We requested supporting documentation for thirty-three (33) disbursements (30% of total expenses) out of a total of 315 disbursements for the year. For the sample selected, 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 copy, 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. The minutes also reflect one subsequent internal budget line-item revision approved by the CSWCD and 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, Forestry and Grant Funds.
- 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

No exceptions were found as a result of applying the procedures described above (regardless of materiality) indicating any fraud or illegal acts. However, see the accompanying Schedule of Findings and Responses for internal control deficiencies related to the Capital Assets findings described on page v and a noncompliance issue related to this AUP report submitted late.

* * * * *

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 the NM Legislature 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
December 17, 2014

STATE OF NEW MEXICO
CUBA SOIL AND WATER CONSERVATION DISTRICT
Schedule of Revenues and Expenditures-Budget and Actual (Cash Basis)
Year Ended June 30, 2014

GENERAL FUND	Budgeted Amounts		Actuals	Variance Favorable (Unfavorable)
	Original	Final		
Revenues and transfers-in:				
Sandoval County Mill Levy	\$ 120,000	\$ 120,000	\$ 137,090	\$ 17,090
Rio Arriba County Mill Levy	80,000	80,000	67,948	(12,052)
Interest	50	50	36	(14)
County	2,000	2,000	-	(2,000)
Other	3,500	3,500	1,750	(1,750)
NRCS Rent & Utilities	18,000	18,000	-	(18,000)
NMDA	13,000	13,000	11,616	(1,384)
NMFA Building Loan Proceeds	190,000	190,000	110,082	(79,918)
Transfer-in from Grant fund	1,500	31,500	31,500	-
Total revenues and transfers-in	<u>428,050</u>	<u>458,050</u>	<u>360,022</u>	<u>(98,028)</u>
Cash balance budgeted	-	-	-	-
Total revenues and cash balance budgeted	<u>\$ 428,050</u>	<u>\$ 458,050</u>	<u>\$ 360,022</u>	<u>(98,028)</u>
Expenditures and transfers-out:				
CAPITAL OUTLAY				
Debt Service - Building #2	\$ 11,856	\$ 11,856	\$ 11,850	6
Debt Service - Building	65,420	65,420	65,420	-
Totals	<u>77,276</u>	<u>77,276</u>	<u>77,270</u>	<u>6</u>
PERSONNEL SERVICE				
Salaries (f-t)	65,494	65,494	69,316	(3,822)
Salaries (p-t)	23,580	23,580	10,160	13,420
Medicare	1,292	1,292	1,092	200
P.E.R.A.	4,585	4,585	4,584	1
Workmen's Comp.	3,000	3,000	80	2,920
Unemployment Insurance	462	462	306	156
Health Insurance	7,753	7,753	7,741	12
FICA	1,462	1,462	868	594
Totals	<u>107,628</u>	<u>107,628</u>	<u>94,147</u>	<u>13,481</u>
ADMINISTRATIVE				
Mileage and Per Diem	6,000	6,000	7,266	(1,266)
Bonding	300	300	233	67
Bank service charges	-	-	-	-
Professional Services	4,000	4,000	17,383	(13,383)
Dues	2,500	2,500	2,410	90
Education & Training	500	500	682	(182)
Gross Receipts Taxes	150	150	83	67
Totals	<u>13,450</u>	<u>13,450</u>	<u>28,057</u>	<u>(14,607)</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, 2014

GENERAL FUND

	Budgeted Amounts		Actuals	Variance
	Original	Final		Favorable (Unfavorable)
OPERATIONAL				
Office Supplies	\$ 3,000	\$ 3,000	\$ 4,144	\$ (1,144)
Advertising/Legal Notices	200	200	70	130
Rental Fees	-	-	-	-
Subscriptions	-	-	-	-
Equipment Maintenance & Repair	200	200	267	(67)
Postage	450	450	693	(243)
Utilities	11,600	11,600	10,078	1,522
Building Operation & Maintenance	3,000	3,000	-	3,000
Vehicle Operation & Maintenance	5,000	5,000	901	4,099
Totals	<u>23,450</u>	<u>23,450</u>	<u>16,153</u>	<u>7,297</u>

CONSERVATION EDUCATION

Outdoor Classroom	3,000	3,000	-	3,000
Soil Stewardship	350	350	-	350
District Publications	250	250	-	250
School Activities	500	500	-	500
Community Awareness	2,400	2,400	825	1,575
Awards/Presentations	600	600	-	600
Totals	<u>7,100</u>	<u>7,100</u>	<u>825</u>	<u>6,275</u>

CONSERVATION PROJECTS

Forest Health	5,000	5,000	-	5,000
Range Improvements	16,500	16,500	-	16,500
Community Ditches	16,500	16,500	8,000	8,500
Cropland Improvements	16,500	16,500	-	16,500
Rodent/Insect Control	6,000	6,000	-	6,000
Erosion Control	5,500	5,500	-	5,500
Weed Control	3,500	3,500	3,100	400
Totals	<u>69,500</u>	<u>69,500</u>	<u>11,100</u>	<u>58,400</u>

Headquarters Building Project	80,000	80,000	-	80,000
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Transfers to Forestry Camp Fund	-	-	-	-
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Total expenditures and transfers-out	<u>\$ 378,404</u>	<u>\$ 378,404</u>	<u>\$ 227,552</u>	<u>\$ 150,852</u>
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Excess (deficiency) of revenues and transfers-in over expenditures and transfers-out			<u>\$ 132,470</u>	<u>\$ 52,824</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, 2014**

FORESTRY CAMP FUND	Budgeted Amounts		Actuals	Variance
	Original	Final		Favorable (Unfavorable)
Revenues and transfers-in:				
Registrations	\$ 2,500	\$ 2,500	\$ -	\$ (2,500)
Donations/Tuition	3,500	3,500	-	(3,500)
Sales	150	150	-	(150)
Transfer-in from General fund	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues and transfers-in	6,150	6,150	-	(6,150)
Cash balance budgeted	7,706	7,706	7,706	-
Total revenues and cash balance budgeted	<u>\$ 13,856</u>	<u>\$ 13,856</u>	<u>7,706</u>	<u>(6,150)</u>
Expenditures:				
Printing/Promotion	\$ 700	\$ 700	\$ 215	485
Postage	-	-	-	-
Telephone	-	-	-	-
Supplies	1,100	1,100	-	1,100
Camp Fees	7,000	7,000	-	7,000
Personnel/Program	1,200	1,200	-	1,200
Transportation	900	900	-	900
Insurance	550	550	-	550
Food	500	500	-	500
Taxes	10	10	-	10
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	<u>\$ 11,960</u>	<u>\$ 11,960</u>	<u>215</u>	<u>11,745</u>
Excess revenues over expenditures			<u>\$ 7,491</u>	<u>\$ 5,595</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, 2014**

SCHOLARSHIP FUND

	Budgeted Amounts		Actuals	Variance Favorable (Unfavorable)
	Original	Final		
Revenues and transfers-in:				
Sales	\$ 10,000	\$ 10,000	\$ -	\$ (10,000)
Interest	20	20	2	(18)
Total revenues and transfers-in	10,020	10,020	2	(10,018)
Cash balance budgeted	-	-	-	-
Total revenues and cash balance budgeted	<u>\$ 10,020</u>	<u>\$ 10,020</u>	2	(10,018)
Expenditures:				
Service Charge	\$ -	\$ -	-	-
Scholarships	3,000	3,000	2,000	1,000
Total expenditures	<u>\$ 3,000</u>	<u>\$ 3,000</u>	2,000	1,000
Excess revenues over expenditures			<u>\$ (1,998)</u>	<u>\$ (9,018)</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, 2014**

GRANT FUND	Budgeted Amounts		Actuals	Variance Favorable (Unfavorable)
	Original	Final		
Revenues and transfers-in:				
Weed Program	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Salt Cedar	5,000	5,000	-	(5,000)
Forest Health	-	-	-	-
Water Quality and Conservation	30,000	30,000	-	(30,000)
Grant Administration Fees	1,500	1,500	-	(1,500)
	<u>41,500</u>	<u>41,500</u>	<u>-</u>	<u>(41,500)</u>
Total revenues and transfers-in	41,500	41,500	-	(41,500)
Cash balance budgeted	<u>39,936</u>	<u>39,936</u>	<u>39,936</u>	<u>-</u>
Total revenues and cash balance budgeted	<u>\$ 81,436</u>	<u>\$ 81,436</u>	<u>39,936</u>	<u>(41,500)</u>
Expenditures and transfers-out:				
Weed Program	\$ 5,000	\$ 5,000	\$ 4,209	791
Salt Cedar	5,000	5,000	-	5,000
Forest Health	-	-	-	-
Water Quality and Conservation	-	-	-	-
Outdoor Classroom	30,000	30,000	-	30,000
Transfer to General Fund	1,500	31,500	31,500	-
	<u>\$ 41,500</u>	<u>\$ 71,500</u>	<u>35,709</u>	<u>35,791</u>
Total expenditures	41,500	71,500	35,709	35,791
Excess revenues over expenditures			<u>\$ 4,227</u>	<u>\$ (5,709)</u>

DEPARTMENT OF FINANCE AND ADMINISTRATION
 LOCAL GOVERNMENT DIVISION
 BUDGET AND FINANCE BUREAU

Exhibit B

SOIL AND WATER CONSERVATION DISTRICT QUARTERLY FINANCIAL REPORT

I HEREBY CERTIFY THAT THE CONTENTS IN THIS REPORT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

S.W.C.D.: Cuba SWCD
 Period Ending: 6/30/14

Cuba Soil and Water Conservation District

FUND	Fund Number	UNAUDITED BEGINNING CASH BALANCE @ July 1	INVESTMENTS (If used in the daily operations)	REVENUES TO DATE	NET TRANSFERS	EXPENDITURES TO DATE	BOOK BALANCE END OF PERIOD
GENERAL FUND	101	35,346.34	0.00	328,522.18	31,500.00	227,552.58	167,815.94
INTERGOVERNMENTAL GRANTS	218	39,936.01	0.00	0.00	(31,500.00)	4,209.04	4,226.97
OTHER	299	10,951.37	0.00	2.11	0.00	2,215.40	8,738.08
DEBT SERVICE	400	0.00	0.00	0.00	0.00	0.00	0.00
GRAND TOTAL		86,233.72	0.00	328,524.29	0.00	233,977.02	180,780.99

\$180,780.99
 (sum check)

USER NOTES:
 Note: any cells with blue or red can be used. All other cells are locked.

SUBMIT TO LOCAL GOVERNMENT DIVISION NO LATER

REVENUES	CURRENT QUARTER	YEAR TO DATE	APPROVED BUDGET	% OF BUDGET
General Fund 101				
Property Tax - Current Year	63,782.00	205,037.79	200,000.00	1.03
Property Tax - Delinquent	0.00	0.00	0.00	-
Property Tax - Penalty & Interest	0.00	0.00	0.00	-
Oil and Gas - Equipment	0.00	0.00	0.00	-
Oil and Gas - Production	0.00	0.00	0.00	-
Total Interest income From Bank Accounts and CDs	4.04	36.47	50.00	0.73
Hazardous Fuels Income	0.00	0.00	0.00	-
Grass Seed and or Tree Sales	650.00	1,750.00	3,500.00	0.50
Book Sales	0.00	0.00	0.00	-
Rent Revenue	0.00	0.00	18,000.00	-
Brush Control Materials	0.00	0.00	0.00	-
Noxious Weed Program	0.00	0.00	0.00	-
Conservation Sale Items	0.00	0.00	0.00	-
State Allotments	580.81	11,616.21	13,000.00	0.89
Miscellaneous	0.00	0.00	0.00	-
Loan proceeds	0.00	110,081.71	190,000.00	0.58
	0.00	0.00	0.00	-
	0.00	0.00	0.00	-
TOTAL GENERAL FUND REVENUES	65,016.85	328,522.18	424,550.00	0.77
Intergovernmental Grants 218				
University Grants	0.00	0.00	0.00	-
Federal Grants	0.00	0.00	5,000.00	-
State Grants	0.00	0.00	30,000.00	-
Local Grants	0.00	0.00	2,000.00	-
Private Grants	0.00	0.00	5,000.00	-
Legislative Funding	0.00	0.00	0.00	-
Miscellaneous	0.00	0.00	1,500.00	-
Forestry Camp	0.00	0.00	6,150.00	-
TOTAL GRANT REVENUES	0.00	0.00	49,650.00	-
Other 299				
Contract Services	0.00	0.00	0.00	-
Educational Income	0.00	0.00	0.00	-
Charges for Services	0.00	0.00	0.00	-
Capital Outlay Funded	0.00	0.00	0.00	-
Project Income	0.00	0.00	0.00	-
Emergency Watershed Protection Program	0.00	0.00	0.00	-
Project Income	0.00	0.00	0.00	-
Project Expenses Income	0.00	0.00	0.00	-
Silent Auctions	0.00	0.00	0.00	-
Miscellaneous	0.00	0.00	0.00	-
Interest earned	2.11	2.11	10,200.00	0.00
TOTAL OTHER 299	2.11	2.11	10,200.00	0.00
Debt Service 400				
General Obligation Bonds				
General Obligation - (Property Tax)	0.00	0.00	0.00	-
Investment Income	0.00	0.00	0.00	-
Other - Misc	0.00	0.00	0.00	-
Bond Proceeds	0.00	0.00	0.00	-
Revenue Bonds:	0.00	0.00	0.00	-
Revenue Bonds - GRT	0.00	0.00	0.00	-
Investment Income	0.00	0.00	0.00	-
Revenue Bonds - Other	0.00	0.00	0.00	-
Miscellaneous (NMFA, BOF, etc.):				
Investment Income	0.00	0.00	0.00	-
Loan Revenue	0.00	0.00	0.00	-
Miscellaneous	0.00	0.00	0.00	-
	0.00	0.00	0.00	-
TOTAL DEBT SERVICE REVENUES	0.00	0.00	0.00	-
GRAND TOTALS REVENUES- CURRENT QTR	65,018.96	328,524.29	484,400.00	0.68

NOTE: If this report is for the first quarter year to date will be the same as the current quarter.

SWCD:

Cuba Soil and Water Conservation District

Period Ending: 6/30/14

EXPENDITURES	CURRENT QUARTER	YEAR TO DATE	APPROVED BUDGET	% OF BUDGET
GENERAL FUND 101				
Personnel Services, Salaries including Benefits	28,280.00	94,146.94	107,628.00	0.87
GRT Taxes	31.00	83.33	150.00	0.56
Mileage and Per Diem	327.00	7,265.90	7,300.00	1.00
Fees and Services	1,841.00	11,506.85	11,500.00	1.00
Office Expense	2,578.00	4,143.78	4,150.00	1.00
Building Expenses (e.g. rent/maintenance)	0.00	0.00	3,000.00	-
Supplies	0.00	0.00	0.00	-
Election Expense	0.00	0.00	0.00	-
Education expense	0.00	681.95	800.00	0.85
Vehicle Expense (Insurance, gas, maintenance)	183.00	900.86	3,500.00	0.26
Advertising,Public Relations (e.g. newsletter)	170.00	895.00	7,300.00	0.12
Annual Audit Expenses	0.00	3,895.00	3,900.00	1.00
Dues and Board Fees	0.00	2,410.00	2,500.00	0.96
Field Supplies (e.g. Salt Cedar Mechanical Removal)	0.00	0.00	0.00	-
Postage Expense	263.00	693.06	700.00	0.99
Cost Sharing Expense	8,000.00	11,100.00	54,500.00	0.20
Brush Control Expenses	0.00	0.00	0.00	-
Training and Workshops	0.00	0.00	0.00	-
Contractual Services Expenses	0.00	0.00	0.00	-
Utilities (Electricity, Natural Gas, Propane, Water, Sewer)	2,209.00	10,078.46	11,600.00	0.87
Miscellaneous (e.g. Chipper Expense)	267.00	267.49	300.00	0.89
Bonding & Insurance	233.00	2,214.00	2,300.00	0.96
Loan payments	25,755.00	77,269.96	77,276.00	1.00
Headquarters Building Project	0.00	0.00	80,000.00	-
TOTAL GENERAL FUND EXPENDITURES	70,137.00	227,552.58	378,404.00	0.60
Intergovernmental Grants Expenditures 218				
University Grants	0.00	0.00	0.00	-
Federal Grants	0.00	4,209.04	5,000.00	0.84
State Grants	0.00	0.00	30,000.00	-
Local Grants	0.00	0.00	0.00	-
Private Grants	0.00	0.00	5,000.00	-
Legislative Funding	0.00	0.00	0.00	-
Miscellaneous	0.00	0.00	0.00	-
Total Grant Expenditures	0.00	4,209.04	40,000.00	0.11
Other Expenditures 299				
Contract Services	0.00	0.00	0.00	-
Educational Income	0.00	0.00	0.00	-
Charges for Services	0.00	0.00	0.00	-
Capital Outlay Funded	0.00	0.00	0.00	-
Project Income	0.00	0.00	0.00	-
Emergency Watershed Protection Program	0.00	0.00	0.00	-
Project Income	0.00	0.00	0.00	-
Project Expenses Income	0.00	0.00	0.00	-
Silent Auctions	0.00	0.00	0.00	-
Miscellaneous	0.00	2,000.00	3,000.00	0.67
Forestry Camp	0.00	215.40	11,960.00	0.02
Total Other Expenditures	0.00	2,215.40	14,960.00	0.15
Debt Service 400				
General Obligation Bonds				
General Obligation Exp. (Property Tax)	0.00	0.00	0.00	-
Investment Income Exp.	0.00	0.00	0.00	-
Other Exp. - Misc	0.00	0.00	0.00	-
Bond Proceeds Exp.	0.00	0.00	0.00	-
Revenue Bonds:	0.00	0.00	0.00	-
Revenue Bonds - GRT Exp	0.00	0.00	0.00	-
Investment Income Exp.	0.00	0.00	0.00	-
Revenue Bonds Exp. - Other	0.00	0.00	0.00	-
Miscellaneous (NMFA, BOF, etc.):				
Investment Income Exp.	0.00	0.00	0.00	-
Loan Revenue Exp.	0.00	0.00	0.00	-
Miscellaneous Exp.	0.00	0.00	0.00	-
Loan Payments	0.00	0.00	0.00	-
Total Debt Service Expenditures	0.00	0.00	0.00	-
TOTAL EXPENDITURES Current Quarter	70,137.00	233,977.02	433,364.00	0.54

NOTE: If this report is for the first quarter year to date it will be the same as the current quarter.

SWCD:
Cuba SWCD

Period Ending: 06/30/14

BUDGETED TRANSFERS * OTHER FINANCING SOURCES/ USES	Current Quarter	Year to Date
Transfers In Fund 101 (e.g. 500)	0.00	31,500.00
Transfers In Fund 218	0.00	0.00
Transfers In Fund 299	0.00	0.00
Transfers In Fund 400	0.00	0.00
A SUB-TOTAL	0.00	31,500.00
Transfers Out Fund 101 (e.g. 500)	0.00	0.00
Transfers Out Fund 218	0.00	31,500.00
Transfers Out Fund 299	0.00	0.00
Transfers Out Fund 400	0.00	0.00
B SUB-TOTAL	0.00	31,500.00
A - B Total Net Transfers	\$ -	\$ -
Note:	The A-B Total Net Transfers must always equal zero.(0).	
<p>* Transfers in the budget occur when money arrives in one account and is transferred to another for a specific use. Board must approve by resolution. Local Government also approves if moving from or to the General Fund.</p>		

A fund is a group (or umbrella), of self balancing accounts

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

**Schedule of Findings and Responses
Year Ended June 30, 2014**

	<u>Type of Finding *</u>	<u>Prior Year Finding Number</u>	<u>Current Year Finding Number</u>
Current Year Findings:			
Capital Assets	C	2010-3	2010-003
Late Report	D	N/A	2014-001
Follow-up on Prior Year Findings:			
Capital Assets	C	2010-3	2010-003
IPA Recommendation Form and Agreed-Upon Procedures Contract Submitted Late	D	2013-1	Resolved

*** 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, 2014**

2010-003

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 (CSWCD) capital asset listing consists of a truck and the new headquarters building. However, the balance sheet asset values are incorrect. The CSWCD recorded all payments made on the truck loan as the book value, not the actual cost, \$22,588. The loan was paid-off during FY 2012 and the asset reflects the total amount of payments made (\$24,360). The difference, \$1,772, is interest on the loan which should not be included in book value. Also, similar to prior years, current-year loan payments (12) made on the building loan are included in the Building book value. The final asset value for the building should include only construction costs and capitalized interest paid on the loan only during construction. The building was occupied and placed in-service on October 25, 2012.

Cause

The CSWCD did not adjust their records to comply with the valuation requirements of Section 12-6-10 NMSA 1978.

Effect

The CSWCD has not complied with Section 12-6-10 NMSA 1978 and prior-year recommendations.

Recommendation

We again recommend that the CSWCD capital asset listing comply with Section 12-6-10 NMSA 1978. We further recommend that the CSWCD balance sheet amounts be adjusted to reflect actual total acquisition costs.

Entity Response

“The District Clerk will seek advice to make corrections to the account balances to resolve the finding.”

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

**Schedule of Findings and Responses
Year Ended June 30, 2014**

2014-001

Late Report

Criteria

Office of the State Auditor, Rule 2014, Section 2.2.2.16.H (1), 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, 2014 was submitted after December 1, 2014.

Cause

The Cuba Soil and Water Conservation District was unable to provide accounting records and supporting documentation to the contracted IPA to meet the deadline due to the District Clerk being out of the office because of illness in the family.

Effect

The Cuba Soil and Water Conservation District has not complied with Office of the State Auditor, Rule 2014, Section 2.2.2.16.H (1).

Recommendation

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

Entity Response

“The District Clerk was out of the office for a couple of weeks in late October and November due to illness in the family. This caused a delay in delivering the required documents to the contracted IPA. The District should be able to complete AUP reports in a timely manner in the future.”

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

**Exit Conference
Year Ended June 30, 2014**

EXIT CONFERENCE

The report contents were discussed at an exit conference held on December 18, 2014 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