

STATE OF NEW MEXICO
Cuba Soil and Water Conservation District

Accountants' Compilation Report (ACR)
And
Independent Accountants' Report on Applying Agreed-Upon Procedures

For the Fiscal Year Ended June 30, 2017

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**State of New Mexico
Cuba Soil and Water Conservation District**

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June 30, 2017

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**State of New Mexico
Cuba Soil and Water Conservation District**

Official Roster

June 30, 2017

Board of Supervisors

James Montoya

Timothy Johnson

L.D. Schmitz

Ricardo Duran

Frank Chacon

Melvin Maestas

Julian Sanchez

Position

Chairperson

Vice-Chairperson

Secretary/Treasurer

Member

Member

Member

Member

District Personal

Brian Velarde

Title

District Manager/Program
Coordinator

JOSEPH M. SALAZAR
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P.O. Box 1744
Espanola, New Mexico 87532
Phone/Fax 505-747-2775

Independent Accountant's Compilation Report

Mr. Wayne Johnson
New Mexico State Auditor
Santa Fe, New Mexico

And

Cuba Soil and Water Conservation District
Board Members
P.O. Box 250
Cuba, New Mexico 87537

Management is responsible for the accompanying financial statements of the governmental activities, each major fund, of The State of New Mexico Cuba Soil and Water Conservation District (District) as of and for the year ended June 30, 2017, and related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Accounting principles generally accepted in the United States of America require that Schedules 1 and 2 on page 25 through page 26 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. This information is the representation of management. This information was subject to our compilation engagement; however, we have not audited or reviewed the required supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

Management has omitted the management’s discussion and analysis information that is required to be presented for purposes of additional analysis. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Joseph M. Salazar CPA
Joseph M. Salazar CPA
April 11, 2018

STATE OF NEW MEXICO
 CUBA SOIL AND WATER CONSERVATION DISTRICT
 STATEMENT OF NET POSITION
 June 30,2017

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 300,140
Cash on deposit with New Mexico Finance Authority	78,177
Property taxes receivable	2,991
Grants receivable	
Total current assets	381,308
Non Current Assets	
Capital assets	1,200,086
less accumulated depreciation	(138,962)
Capital assets net of depreciation	1,061,124
Total capital assets	1,061,124
Total assets	\$ 1,442,432
DEFERRED OUTFLOW OF RESOURCES	
Pension contributions	22,439
Total assets and deferred outflows of resources	\$ 1,464,871
LIABILITIES	
Liabilities	
Account payable	\$ 3,230
Accrued payroll	754
NMFA Mortgage loan payable-current	44,779
NMFA Mortgage loan payable-current	11,666
Total current liabilities	60,429
Long term liabilities	
NMFA Mortgage loan payable	589,614
NMFA Mortgage loan payable	128,326
Net pension liability	76,688
Total long term liabilities	794,628
Total liabilities	855,057
DEFERRED INFLOWS OF RESOURCES	
Pension investment experience	11,605
NET POSITION	
Invested in capital assets	286,739
Restricted for debt service	78,177
Unrestricted	233,293
Total net position	598,209
Total liabilities, deferred inflows of resources and net position	\$ 1,464,871

See accompanying notes and accountants compilation report.

CUBA SOIL AND WATER CONSERVATION DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2017

Program Expenses	Governmental Activities
Conservation:	
Current	
Conservation	\$ 19,101
Personal services	59,628
Operating expenses	98,782
Depreciation	33,066
Total expenses	<u>210,577</u>
Program Revenues	
Charges for services	
Grant funds	5,842
Total program revenue	<u>5,842</u>
Net program (expenses)revenues	<u>(204,735)</u>
General revenues	
NMDA allotment	12,603
Property taxes	271,305
Loan proceeds	70,965
Interest income	28
Other	1,092
Total general revenues	<u>355,993</u>
Change in net position	<u>151,258</u>
Net Position-Beginning of Year	446,951
Net Position-End of Year	<u>\$ 598,209</u>

See accompanying notes and accountants compilation report

**STATE OF NEW MEXICO
CUBA SOIL AND WATER CONSERVATION DISTRICT
BALANCE SHEET-GOVERNMENTAL FUNDS**

EXHIBIT 3

June 30,2017

ASSETS	General Fund
Cash and cash equivalents	\$ 300,140
Cash on deposit with NM Finance Authority	78,177
Property taxes receivable	2,991
 Total Assets	 <u><u>\$ 381,308</u></u>
 LIABILITIES AND FUND BALANCES	
Liabilities	
Account payable	\$ 3,230
Accrued payroll	754
Total Current Liabilities	<u>3,984</u>
 Fund balance	
Unassigned	299,147
Restricted for mortgage loan	78,177
Total fund balance	<u>377,324</u>
Total Liabilities and Fund Balances	<u><u>\$ 381,308</u></u>

See accompanying notes and accountants compilation report

**STATE OF NEW MEXICO
CUBA SOIL AND WATER CONSERVATION DISTRICT
RECONCILIATION OF GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION**

Exhibit 4

FOR THE YEAR ENDED JUNE 30, 2017

Total fund balances for governmental funds		\$ 377,324
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:		
Capital assets	1,200,086	
Accumulated depreciation	<u>(138,962)</u>	
Total capital assets net of depreciation	1,061,124	
Total capital assets		1,061,124
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
Mortgage loan payable-current portion	(56,445)	
Mortgage loan payable	(717,940)	
Net pension liability	(76,688)	
Total liabilities		(851,073)
Net deferred inflows and outflows		<u>10,834</u>
Net Position of Governmental Activities		<u>\$ 598,209</u>

See accompanying notes and accountants compilation report

STATE OF NEW MEXICO
CUBA SOIL AND WATER CONSERVATION DISTRICT
STATEMENT REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCES-GOVERNMENTAL FUNDS
For the Year Ended June 30, 2017

Exhibit 5

	General Fund
REVENUES	
State allocation	\$ 12,603
Property taxes	271,305
Interest income	28
Other	6,934
Total Revenues	290,870
 EXPENDITURES	
Conservation:	
Current	
Personal services	55,969
GRT tax	568
Mileage and per diem	1,988
Professional services	7,032
Dues and board fees	2,226
Education and training	1,065
Building expense	4,846
Building project	70,965
Office Supplies	496
Vehicle expense	2,307
Postage expense	615
Utilities	8,432
Equipment-maintenance and repairs	393
School activities	78
Range improvements	6,951
Special grants	3,750
Community ditches	8,000
Weed control	400
Debt service	77,236
Total expenditures	253,317
Excess(deficiency) of revenue over expenditures	37,553
 Other Financing Sources (Uses)	
Loan proceeds	70,965
Net Changes in Fund Balances	108,518
Fund Balances-Beginning of Year	268,806
Fund Balance-End of Year	\$ 377,324

See accompanying notes and accountants compilation report

STATE OF NEW MEXICO
CUBA SOIL AND WATER CONSERVATION DISTRICT
RECONCILIATION OF THE CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Exhibit 6

FOR THE YEAR ENDED JUNE 30, 2017

Net change in fund balance – total governmental funds \$ 108,518

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period these amounts are:

Capital outlay	79,465	
Depreciation expense	<u>(33,066)</u>	
Excess of capital outlay over depreciation expense		46,399

Expenses recognized in the Statement of Activities.

Not reported in governmental funds-increase in pension liability	(14,493)
Deferred inflows and outflows-net	<u>10,834</u>
Changes in Net Position of Governmental Activities	<u>\$ 151,258</u>

See accompanying notes and accountants compilation report.

State of New Mexico
Cuba Soil and Water Conservation District
Notes to Financial Statements
June 30, 2017

(1) Summary of Significant Accounting Policies

A. Financial Reporting Entity

The Cuba Soil and Water Conservation District (District) is organized under the provisions of the Soil and Water Conservation District Act (73-20-25 through 73-20-49 NMSA1978). The District is a governmental subdivision of the state, a public body corporate and politic, organized for control and prevention of flood, sediment, and soil erosion damage, and to further the conservation, development and beneficial use of water and soil resources. The governing body of the District consists of five elected supervisors four of whom must be landowners in the District. Two additional supervisors may be appointed to the District board. Supervisors serve a term of three years and continue in office until a successor is elected or appointed.

The financial reporting entity as defined by GASB 14 consists of the primary government, organizations of which the primary government is financially accountable and other organizations whose exclusion from the financial reporting entity would cause the financial statements to be misleading.

A primary government is any state government or general-purpose local government and the organization comprising its legal entity. Although the District is organized as a subdivision of the State and administrative attached to the New Mexico State University, Department of Agriculture, the statutory powers of the District establish it as a primary government with a separate corporate and legal identity. The District has no component units, financially dependent affiliates, or is it legally liable for actions of other agencies.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). To enhance the usefulness of the financial, the significant policies of the District are summarized below.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of Net Position) report information on all of the non fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. However, the District does not have any fiduciary or business-type activities.

State of New Mexico
Cuba Soil and Water Conservation District
Notes to Financial Statements
June 30, 2017

(1) Summary of Significant Accounting Policies (continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function, or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, if any, are recorded only when payment is due.

Property taxes and interest associated with the current fiscal year period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The District reports the following major governmental funds.

The general fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

State of New Mexico
Cuba Soil and Water Conservation District
Notes to Financial Statements
June 30, 2017

(1) Summary of Significant Accounting Policies (continued)

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

As a general rule, the effect of interfund activity, if applicable, has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities, Net Position and Fund Balance

1. Cash and Investments

The District has defined cash and cash equivalents to include demand deposits and short term investments (certificate of deposit) with original maturities of six months or less from the date of acquisition. New Mexico State Statute authorizes the District to invest in obligations of the U.S. Treasury, repurchase agreements, and certificates of deposit. Investments for the government, if applicable, are reported at fair value.

2. Receivables

Receivables consist of \$2,991 for property taxes receivable. They are considered fully collectible. Property taxes attach an enforceable lien as of January 1. Taxes are payable in equal semi-annual installments on November 10 and April 10 of the subsequent year. The taxes become delinquent thirty days after the due date. The taxes are collected by the Rio Arriba and Sandoval County Treasurer's and are remitted to the District in the month following collection.

State of New Mexico
Cuba Soil and Water Conservation District
Notes to Financial Statements
June 30, 2017

3. Capital Assets

Capital assets, which include property and equipment (including software), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by per Section 12-6-10 NMSA 1978 as assets with an initial cost of \$5,000 and an estimated useful life of more than one year. The total amounts spent for construction, if any, are capitalized and reported in the government-wide financial statements. For donations, the government values these capital assets at the estimated fair value of the items at the date of acquisition. The cost of normal maintenance and repairs that do not add to the value or extend the life of the asset are not capitalized. There is no infrastructure required to be reported pursuant to GASB statement no. 34.

Property and equipment of the District is depreciated using the straight line method over the following estimated useful lives.

Building	39 years
Building improvements	15 years
Farm equipment	5-15 years
Office equipment	5-15 years

4. Payables

The District's accounts payable represent routine monthly bills for services rendered and products purchased and received in the current fiscal year but not paid for until after fiscal year end.

5. Compensated Absences

District does not have a policy pertaining to compensated absences..

Deferred Outflows/Inflows of Resources

GASB 63 amended previous guidance on deferred revenue in the government-wide financial statements to include deferred outflows, which is the consumption of net position by the government which is applicable to a future reporting period and deferred inflow of resources, which is the acquisition of net position by the government which is applicable to a future reporting period. The District had deferred outflows or inflows of resources at June 30, 2017 due to GASB 68.

State of New Mexico
Cuba Soil and Water Conservation District
Notes to Financial Statements
June 30, 2017

6. Net Position and Fund Balance

The government-wide financial statements utilize a net asset presentation. Net position are categorized as invested in capital assets (net of related debt, if applicable), restricted and unrestricted.

Investment in capital assets (net of related debt)- is intended to reflect the portion of net position which are associated with capital assets less outstanding capital assets related debt. The District has not debt related to capital assets. Restricted net position - are net position (generated from revenues and not bond proceeds), which have third party (statutory, bond covenant or granting agency) limitation on their use. Unrestricted net position- are net position that do not have third-party (statutory, bond covenant or granting agency) limitations on their use.

In the fund financial statements, governmental funds can report fund balances as:

Nonspendable - amounts that are not in spendable form (such as inventory) or are required to be maintained intact;

Restricted - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed – amounts constrained to specific purposes by a government itself, using its highest level of decision making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;

Assigned – amounts a government intends to use for a specific purpose, intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;

Unassigned – Amounts that are available for any purpose, positive amounts are reported only in the general fund.

The District's fund balance is unassigned

7. Use of Estimates

Management uses estimate and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Accordingly, actual results could differ from those estimates.

State of New Mexico
Cuba Soil and Water Conservation District
Notes to Financial Statements
June 30, 2017

II Stewardship, Compliance and Accountability

A. Budgetary Information

The budget is prepared on a basis that differs from accounting principles generally accepted in the United States of America (GAAP). GAAP basis revenues and expenditures include accrued amounts. The revenues and expenditures reported in the budgetary comparisons are generally recorded on the cash basis. The District uses the following procedures to establish the budgeted amounts reflected in the budgetary comparisons:

1. Prior to June 1, the District Board of Supervisors reviews, adjusts, and approves a preliminary revenue and expenditure budget for the fiscal year beginning July 1.
2. Prior to June 1, the approved preliminary budget is submitted to the State of New Mexico Department of Finance and Administration, Local Government Division for approval.
3. Once the Board receives notice of the approved preliminary budget. The Board reviews the preliminary budget and makes any necessary adjustments to prepare the final budget. Prior to July 30, the Board approves the budget by passing a resolution.
4. Prior to July 30, the approved budget is submitted to the State of New Mexico, Department of Finance and Administration, Local Government Division (DFA-LGD) for approval by the first Monday of September. The Board receives notice of the approved final budget.

The legal level at which actual expenditures may not exceed budgeted expenditures is at the total fund level. The Board can revise its budget with the approval of DFA-LGD. Encumbrance accounting is not utilized by the District.

State of New Mexico
Cuba Soil and Water Conservation District
Notes to Financial Statements
June 30, 2017

III Detailed Notes on all Funds

A. Cash and cash equivalents

Cash and cash equivalents of the District at June 30, 2017:

<u>Name of Depository</u>	<u>Account Name</u>	<u>Bank Balance</u>	<u>Outstanding Checks</u>	<u>Financial Statement Balance</u>
Wells Fargo	SWCD-checking	\$ 297,844	\$ 2,751	\$ 295,093
	Less FDIC coverage	<u>250,000</u>		
	Amount uninsured	<u><u>47,844</u></u>		
Bank of the West	Cuba SWCD-certificate of deposit	5,000		5,000
	Less FDIC coverage	5,000		
	Amount uninsured	<u>-</u>		
Cuba Credit Union	Cuba SWCD-savings	47	<u>-</u>	<u>47</u>
	Less FDIC coverage	47		
	Amount uninsured	<u>-</u>		
Cash and cash equivalents				<u>\$ 300,140</u>

The District account with Wells Fargo was not fully insured by \$47,844. The District's accounts with Cuba Credit Union and Bank of the West were fully insured under the FDIC as of June 30, 2017. Custodial credit risk is the risk that in the event of a bank (or other custodial agent) failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk.

State of New Mexico
Cuba Soil and Water Conservation District
Notes to Financial Statements
June 30, 2017

B. Capital Assets

Capital asset activity for the year ended June 30, 2017 was as follows:

<u>Governmental Activities</u>	Balance <u>6/30/16</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>6/30/17</u>
<u>Cost</u>				
Land	\$ 15,027	\$ -	\$ -	\$ 15,027
Building	1,083,006	-	-	1,083,006
Building - tuff shed	-	30,512	-	30,512
Vehicles	22,588	-	-	22,588
Farm equipment	-	42,509	-	42,509
Office furniture and equipment	-	<u>6,444</u>	-	<u>6,444</u>
Total capital assets	<u>1,120,621</u>	<u>79,465</u>	<u>-</u>	<u>1,200,086</u>
Accumulated depreciation				
Building	(83,308)	(27,769)	-	(111,077)
Building-tuff shed	-	(2,034)	-	(2,034)
Vehicles	(22,588)	-	-	(22,588)
Farm equipment	-	(2,834)	-	(2,834)
Office equipment	-	<u>(429)</u>	-	<u>(429)</u>
Total accumulated depreciation	<u>(105,896)</u>	<u>(33,066)</u>	<u>-</u>	<u>(138,962)</u>
Net capital assets	<u>\$1,014,725</u>	<u>\$ 46,399</u>	<u>\$ -</u>	<u>\$1,061,124</u>

Current year depreciation expense is \$33,066 charged to conservation function.

C. Changes in Long-Term Debt

Long term debt activity for the year ended June 30, 2017 was as follows:

	Balance <u>6/30/16</u>	Increase	Decrease	Balance <u>6/30/17</u>	Amount due within 1 year
NM Finance Authority Loan	678,169	-	43,776	634,393	44,779
NM Finance Authority Loan	<u>151,658</u>	-	<u>11,666</u>	<u>139,992</u>	<u>11,666</u>
Total	<u>\$ 829,827</u>	<u>\$ -</u>	<u>\$55,442</u>	<u>\$ 774,385</u>	<u>\$ 56,445</u>

The District's general fund is used to pay the loans.

**State of New Mexico
Cuba Soil and Water Conservation District
Notes to Financial Statements
June 30, 2017**

Mortgage Loan-Land

In fiscal year 2012, the District entered into a loan agreement with the New Mexico Finance Authority for \$196,326 for the purpose of financing the costs of completing construction of additional paving parking areas and driveway, reimbursement of architectural fees and building furnishings for the building headquarters. The mortgage loan is for seventeen years maturing on May 2029. The interest rate is 3.188%. The balance on the mortgage loan owed as of June 30, 2017 was \$139,992. The annual debt service requirements for the mortgage loan at June 30, 2017 are as follows:

Year Ended	Principal	Interest	Total
2018	11,666	140	11,806
2019	11,666	128	11,794
2020	11,666	117	11,782
2021	11,666	105	11,771
2022	11,666	93	11,759
2023-2027	58,330	350	58,680
2028-2029	<u>23,332</u>	<u>35</u>	<u>23,367</u>
Total	<u>\$139,992</u>	<u>\$ 968</u>	<u>\$140,960</u>

**State of New Mexico
Cuba Soil and Water Conservation District
Notes to Financial Statements
June 30, 2017**

Mortgage Loan-Building

In fiscal year 2010, the New Mexico Finance Authority (NMFA) approved a loan for the construction of a building for twenty years maturing on May 2029 of the District Headquarters for \$932,336 at a blended interest rate of 3.867%. The Mortgage loan is for twenty years maturing on 2029. The District has made semiyearly payments totaling approximately \$68,667 of principals and interest since November of 2012. The balance on the mortgage loan owed as of June 30, 2017 was \$634,393. The annual debt service requirements for the mortgage loan at June 30, 2017 are as follows:

Year Ended	Principal	Interest	Total
2018	44,779	20,641	65,420
2019	45,888	19,532	65,420
2020	47,090	18,330	65,420
2021	48,415	17,006	65,421
2022	49,847	15,573	65,420
2023-2027	274,558	52,544	327,102
2028-2029	<u>123,816</u>	<u>7,022</u>	<u>130,838</u>
Total	<u>\$,634,393</u>	<u>\$150,648</u>	<u>\$ 785,041</u>

State of New Mexico
Cuba Soil and Water Conservation District
Notes to Financial Statements
June 30, 2017

D. Pension Plan – Public Employees Retirement Association

Summary of Significant Accounting Policies

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New Mexico Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

Plan description. The Public Employees Retirement Fund (PERA Fund) is a **cost-sharing, multiple employer defined benefit pension plan**. This fund has six divisions of members, including State General, State Police/Adult Correction Officer, Municipal General, Municipal Police/Detention Officers, Municipal fire, and State Legislative Divisions, and offers 24 different types of coverage within the PERA plan. All assets accumulated may be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined by the terms of this plan. Certain coverage plans are only applicable to a specific division. Eligibility for membership in the PERA Fund is set forth in the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). Except as provided for in the Volunteer Firefighters Retirement Act (10-11A-1 to 10-11A-7, NMSA 1978), the Judicial Retirement Act (10-12B-1 to 10-12B-19, NMSA 1978), the Magistrate Retirement Act (10-12C-1 to 10-12C-18, NMSA 1978), and the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978), and the provisions of Sections 29-4-1 through 29-4-11, NMSA 1978 governing the State Police Pension Fund, each employee and elected official of every affiliated public employer is required to be a member in the PERA Fund.

PERA issues a publicly available financial report and a comprehensive annual financial report that can be obtained at <http://saonm.org/> using the Audit Report Search function for agency 366.

Benefits provided. For a description of the benefits provided and recent changes to the benefits see Note 1 in the PERA audited financial statements for the fiscal year ended June 30, 2016 available at

[http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366 Public Employees Retirement Association 2016.pdf](http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366%20Public%20Employees%20Retirement%20Association%202016.pdf).

Contributions. The contribution requirements of defined benefit plan members and the Cuba Soil and Water Conservation District are established in state statute under Chapter 10, Article 11, NMSA 1978. The contribution requirements may be amended by acts of the legislature. For the employer and employee contribution rates in effect for FY16 for the various PERA coverage options, for both Tier I and Tier II, see the tables available in the note disclosures on pages 29 through 31 of the PERA FY16 annual audit report at

State of New Mexico
Cuba Soil and Water Conservation District
Notes to Financial Statements
June 30, 2017

Pension Plan – Public Employees Retirement Association (Continued)

http://osanm.org/media/audits/366_Public_Employees_Retirement_Association_2016.pdf. The PERA coverage options that apply to Cuba Soil and Water Conservation District (District) is: Municipal General Division. Statutorily required contributions to the pension plan from the District were \$5,982 and employer paid member benefits that were “picked up” by the employer were \$ -0- for the year ended June 30, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The PERA pension liability amounts, net pension liability amounts, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2015. The PERA pension liability amounts for each division were rolled forward from the valuation date to the Plan year ending June 30, 2014, using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date June 30, 2015.

The assets of the PERA fund are held in one trust, but there are six distinct membership groups (municipal general members, municipal police members, municipal fire members, state general members, state police members and legislative members) for whom separate contribution rates are determined each year pursuant to chapter 10, Article 11 NMSA 1978. Therefore, the calculations of the net pension liability, pension expense and deferred Inflows and Outflows were performed separately for each of the membership groups: municipal general members; municipal police members; municipal fire members; state general members; state police members and legislative members. The Cuba Soil and Water Conservation District proportion of the net pension liability for each membership group that the employer participates in is based on the employer contributing entity’s percentage of that membership group’s total employer contributions for the fiscal year ended June 30, 2014. Only employer contributions for the pay period end dates that fell within the period of July 1, 2014 to June 30, 2015 were included in the total contributions for a specific employer. Regular and any adjustment contributions that applied to FY 2015 are included in the total contribution amounts. In the event that an employer is behind in reporting to PERA its required contributions, an estimate (receivable) was used to project the unremitted employer contributions. This allowed for fair and consistent measurement of the contributions with the total population. This methodology was used to maintain consistent measurement each year in determining the percentages to be allocated among all the participating employers.

For PERA Fund Division Municipal General Division, at June 30, 2017, the District reported a liability of \$76,688 for its proportionate share of the net pension liability. At June 30, 2015, the District’s proportion was .0048 percent, which was unchanged from its proportion measured as of June 30, 2014, due to the insignificance of the difference.

For the year ended June 30, 2017, the District recognized PERA Fund Division Municipal General Division pension expense of \$5,392. At June 30, 2017, the District reported PERA Fund Division Municipal General Division deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

**State of New Mexico
Cuba Soil and Water Conservation District
Notes to Financial Statements
June 30, 2017**

Pension Plan – Public Employees Retirement Association (Continued)	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	3,832	748
Changes of assumptions	4,497	13
Net difference between projected and actual earnings on pension plan investments	14,110	10,844
Changes in proportion and differences between District contributions and proportionate share of contributions	3,837	-
District contributions subsequent to the measurement date	-	-
Total	22,439	11,605

\$5,392 reported as deferred outflows of resources related to pensions resulting from District's contributions subsequent to the measurement date June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2018	(1,728)
2019	(1,728)
2020	3,508
Thereafter	-

**State of New Mexico
Cuba Soil and Water Conservation District
Notes to Financial Statements
June 30, 2017**

Pension Plan – Public Employees Retirement Association (Continued)

Actuarial assumptions. As described above, the PERA Fund member group pension liabilities and net pension liabilities are based on actuarial valuations performed as of June 30, 2016 for each of the membership groups. Then each PERA Fund member group pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2016 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2016. These actuarial methods and assumptions were adopted by the Board for use in the June 30, 2016 actuarial valuation.

Actuarial valuation date	June 30, 2016
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay
Amortization period	Solved for based on statutory rates
Asset valuation method	Fair value
Actuarial assumptions:	
• Investment rate of return	7.75% annual rate, net of investment expense
• Payroll growth	3.50% annual rate
• Projected salary increases	3.50% to 14.25% annual rate
• Includes inflation at	3.00% annual rate

The long-term expected rate of return on pension plan investments was determined using a statistical analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

State of New Mexico
Cuba Soil and Water Conservation District
Notes to Financial Statements
June 30, 2017

Pension Plan – Public Employees Retirement Association (Continued)

ALL FUNDS - Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	43.50%	7.39%
Risk Reduction & Mitigation	21.50	1.79
Credit Oriented Fixed Income	15.0	-
Real Assets	20.00	5.70
Total	<u>100.0%</u>	

Discount rate: The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that future contributions will be made in accordance with statutory rates. On this basis, the pension plan’s fiduciary net position together with the expected future contributions are sufficient to provide all projected future benefit payments of current plan members as determined in accordance with GASBS 67. Therefore, the 7.75% assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate. The following tables show the sensitivity of the net pension liability to changes in the discount rate. In particular, the tables present the District net pension liability in each PERA Fund Division that participates in, under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

State of New Mexico
Cuba Soil and Water Conservation District
Notes to Financial Statements
June 30, 2017

Pension Plan – Public Employees Retirement Association (Continued)

PERA Fund Division <u>(A)</u>	1% Decrease (6.48%)	Current Discount Rate (8.48%)	1% Increase (8.75%)
	_____	_____	_____
District's proportionate share of the net pension liability	114,335	76,688	45,462
	_____	_____	_____

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued FY16 Restated PERA financial report. The report is available at <http://www.pera.state.nm.us/publications.html>.

Payables to the pension plan. Employers should disclose the amount of payables to the Plan with a description of what gave rise to the payable per GASBS 68, paragraphs 122 and 124.

E. Risk Management

The Cuba Soil and Water Conservation District is exposed to various risks of loss. The District carries insurance with the various insurance companies. Coverage is provided for General Liability, Surety Bond, Property and Workers Compensation.

F. Contingent Liabilities

There are no known contingent liabilities and therefore, no provision for contingencies in these financial statements.

Schedule 1

**SCHEDULE OF THE CUBA SOIL AND WATER CONSERVATION DISTRICT'S
PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY OF PERA FUND DIVISION MUNICIPAL GENERAL
Public Employees Retirement Association (PERA) Plan
Last 10 Fiscal Years***

	2017	2016	2015
District's proportion of the net pension liability (asset)	76,688	62,195	48,367
District's proportionate share of the net pension liability (asset)	.0048%	.0062%	.0061%
District's covered-employee payroll	59,628	75,054	65,332
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	62.88%	44.95%	41.15%
Plan fiduciary net position as a percentage of the total pension liability	69.18%	81.29%	81.29%

*The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

See accompanying notes and accountants compilation report

**SCHEDULE OF CUBA SOIL AND WATER CONSERVATION DISTRICT'S
CONTRIBUTIONS**

**Public Employees Retirement Association (PERA) Plan
PERA Fund Division Municipal General
Last 10 Fiscal Years***

	2017	<u>2016</u>	<u>2015</u>
Contractually required contribution	3,927	\$4,835	4,584
Contributions in relation to the contractually required contribution	3,927	4,835	4,584
Contribution deficiency (excess)	-	-	-
District covered-employee payroll	55,969	75,054	65,332
Contributions as a percentage of covered-employee payroll	4%	4%	4%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

See accompanying notes and accountants compilation report

**Cuba Soil and Water Conservation District
Notes to Required Supplementary Information
For the Year Ended June 30, 2017**

Changes of benefit terms. The PERA Fund COLA and retirement eligibility benefits changes in recent years are described in Note 1 of the PERA FY16 audit available at [http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366 Public Employees Retirement Association 2016.pdf](http://www.pera.state.nm.us/pdf/AuditFinancialStatements/366%20Public%20Employees%20Retirement%20Association%202016.pdf).

Changes of assumptions.

The Public Employees Retirement Association (PERA) of New Mexico Annual Actuarial Valuation as of June 30, 2016 report is available at http://www.pera.state.nm.us/pdf/Investments/RetirementFundValuationReports/6-30-2014%20PERA%20Valuation%20Report_FINAL.pdf. The summary of Key Findings for the PERA Fund (on page 2 of the report) states “based on a recent experience study for the five-year period ending June 30, 2015, the economic and demographic assumptions were updated for this valuation. The changes in assumptions resulted in a decrease of \$30.8 million to Fund liabilities and an increase of 0.13% to the funded ratio. For details about changes in the actuarial assumptions, see Appendix B on page 60 of the report.

STATE OF NEW MEXICO

**CUBA SOIL AND WATER
CONSERVATION DISTRICT**

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

YEAR ENDED June 30, 2017

**JOSEPH M. SALAZAR CPA
P.O. BOX 1744
ESPANOLA, NEW MEXICO 87532
PHONE/FAX 505-747-2775
STATE OF NEW MEXICO**

CUBA SOIL AND WATER CONSERVATION DISTRICT

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**State of New Mexico
Cuba Soil and Water Conservation District**

Official Roster

June 30, 2017

Board of Supervisors

Position

James Montoya

Chairperson

Timothy Johnson

Vice-Chairperson

L.D. Schmitz

Secretary/Treasurer

Ricardo Duran

Member

Frank Chacon

Member

Melvin Maestas

Member

Julian Sanchez

Member

District Personal

Title

Brian Velarde

District Manager/Program
Coordinator

JOSEPH M. SALAZAR
CERTIFIED PUBLIC ACCOUNTANT
P.O. BOX 1744
Española, New Mexico 87532
Phone/Fax 505-747-2775

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED UPON PROCEDURES

James Montoya, Chairman
Cuba Soil and Water Conservation District
and
Honorable Wayne Johnson
New Mexico State Auditor

We have performed the procedures enumerated below for the Cuba Soil and Water Conservation District (District) for the year ended June 30, 2017. The District was determined to be a Tier 6 entity under the Audit Act Section 12-6-3 (B) NMSA 1978 and Section 2.2.2.16 NMAC. The procedures were agreed to by the DISTRICT through the Office of the New Mexico State Auditor. The Cuba Soil and Water Conservation District management is responsible for the organization's accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the America 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 representations regarding the sufficiency of the procedures described below either for the purposes for which this report has been requested or for any other purpose. Our procedures and findings are as follows:

Our procedures and findings are as follows:

Procedures

1. Verify the local public body's revenue calculation documented on the form provided at www.osanm.org under "Tiered System Reporting Main Page."

Findings

We determined that the local public body is a tier 6 engagement.

2. 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) Test at least 30% of bank reconciliations for accuracy. Also, trace ending balances to the general ledger, supporting documentation and the financial reporting submitted to DFA-Local Government Division.
- c) Determine whether the local public body's financial institution have provided it with 50% of pledged collateral on all uninsured deposits as required by Section 6-10-17 NMSA 1978, NM Public Money Act, if applicable.

Findings

- a) At year end in three different financial institutions, the District had a general checking account, a savings account (scholarship fund) and a certificate of deposit. Bank statements and bank reconciliations were available for all three accounts for the entire year. Determined that bank reconciliations are being performed on in a timely manner.
- b) We performed a random test of bank reconciliations (approximately 33%) for accuracy for the months of September 2016, December of 2016, March 2017 and June 2017 for all four bank accounts and traced to the District's financial records and the reports submitted to DFA-Local Government Division. No exceptions noted.
- c) The bank accounts had FDIC coverage of \$250,000. The savings and certificate of deposit did not exceed the FDIC coverage amount during the fiscal year, therefore pledged collateral was not required on this two bank accounts at any time during the fiscal year. The Checking bank accounts exceeded the FDIC uninsured limits during three months of the fiscal year and did not obtain pledged collateral as required by state statute. (See Finding 2017-001)

3. 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 District performed a yearly inventory as required by state statute. No exceptions noted.

4. Debt

Procedures

If the local public body has any debt, verify that the required payments were made during the year. If the debt agreement requires reserves, verify that the local public body is in compliance with the requirements.

Findings

The required debt payments were made during the year on existing loans. The loan agreement reserves are on deposit with the New Mexico Finance Authority.

5. Revenues

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 equal to at least 30% of the total dollar amount and test using the following attributes:

- b) Amount recorded in the general ledger agrees to the supporting documentation and the bank statements.
- c) Proper recording of classification, amounts, 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 revenues compared to budgeted revenue for the year for each type of revenue revealed no exceptions.
- b) Amounts recorded in district's financial records agreed to the supporting documentation (deposit slips and bank statements). No exceptions noted.
- c) Amounts were properly recorded on a cash basis as to classification, amount and period on the District's general ledger. We traced all deposits for property taxes from the county treasurer's notification of taxes distributed from the two counties and the allotment from New Mexico State University which is approximately 98% of the total revenues to the District's financial records and bank statements. No exceptions noted.

6. Expenditures

Procedures

Select a sample of cash disbursements equal to at least 30% of the total dollar amount 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 canceled check, as appropriate.
- b) Determine that disbursements were properly authorized and approved in compliance with the budget, legal requirements and established policies and procedures.
- c) Determine that the bid process (or request for proposal process if applicable, purchase order, contracts and agreements were processed in accordance with the New Mexico Procurement Code Section 13-1-28 through 13-1-199 NMSA 1978) and State Purchasing Regulations (1.4.1 NMAC) and Regulations Governing the Per Diem and Mileage Act (2.42.2 NMAC).

Findings

- a) Our tests of 31 transactions for approximately 63% of the total expenditures for the fiscal year revealed that amounts recorded as disbursed agreed to the supporting documentation. The documentation agrees as to amount, payee, date and description agreed with the vendor's invoice. No exceptions noted.
- b) District disbursements were authorized disbursements for the operations of the District and approved in compliance with budget, legal requirements and established policies and procedures.
- c) District maintained documentation for all its purchases to demonstrate compliance with the bid process (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 Purchase Regulations (1.4.1 NMAC) and regulations Governing the Per Diem and Mileage Act (2.42.2 NMAC).

7. Journal Entries

Procedures

If non-routine journal entries, such as adjustment or reclassification, are posted to the general ledger, test significant items for the following attribute:

- 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 District maintained its financial records (QuickBooks) on a cash basis. The District did not post any journal entries to adjust or reclassify any of its receipts or disbursements.

8. 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 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, actual or modified accrual basis) for each individual fund.

Findings

- a) The District prepared and submitted an approved budget by the District for approval to DFA-LGD for the year ended June 30, 2017 and reflected in the minutes of the District. There were no subsequent budget adjustments.
- b) Determined that total actual expenditures did not exceed the final budget at the legal level of budgetary control for all four funds of the District. No exceptions noted.
- b) A schedule of revenues and expenditures was prepared from the District records on a cash budgetary basis, This schedule is included herein as Exhibit A. The District submitted quarterly reports to DFA-LGD for the fiscal year.

9. Capital Outlay Appropriations

Procedures

Request and review any and all state-funded capital outlay awards, joint powers agreements, correspondence and other relevant documentation for any capital outlay award funds expended by the recipient during the fiscal year.

Perform the following tests on all state funded capital outlay expenditures:

- a) Determine that the amount recorded as disbursed agrees to adequate supporting documentation. Verify that amount, payee, date and description agree to the purchase order, contract, vendor's invoice and canceled check, as appropriate.
- b) Determine that the cash disbursements were properly authorized and approved in accordance with the budget, legal requirements and established policies and procedures.
- c) Determine that the bid process(or request for proposal process if applicable), purchase order, contract, and agreements were processed in accordance with the New Mexico Procurement Code and State Purchasing Regulations (Section 13-1-28 through 13-1-199 NMSA 1978 and 1.4.1 NMAC).
- d) Determine the physical existence (by observation) of the capital assets based on expenditures to date.
- e) Verify that status reports were submitted to the state agency per terms of agreement and amounts in the status report agree with the general ledger and other supporting documentation.
- f) If the project was funded in advance, determine if the award balance (and cash balance) appropriately reflects the percentage of completion based on the project schedule and expenditures to date.
- g) If the project is complete, determine if there is an unexpended balance and whether it was reverted per statute and agreement with the grantor.
- h) Determine whether cash received for the award was accounted for in a separate fund or separate bank account that is non-interest bearing if so required by the capital outlay award agreement.
- i) Determine whether reimbursement requests were properly supported by costs incurred by the recipient.

Findings

The District did not have any capital outlay expenditures during the fiscal year.

Procedures

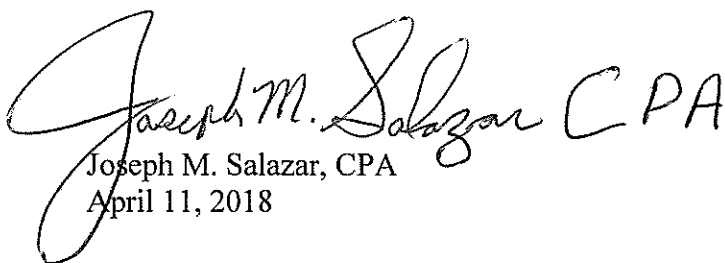
If information comes to the IPA's attention (regardless of materiality) indicating any fraud, illegal acts, noncompliance, or any internal control deficiencies, such instances must be disclosed in the report as required by Section 12-6-6 NMSA 1978. The finding must include the required contents per Section 2.2.2.1-(1) (3) (C) NMAC.

Findings

No exceptions or information were noted as a result of applying the procedures described above (regardless of materiality) indicating fraud, illegal acts, or any internal control deficiencies. However, see the Schedule of Findings and Responses related to uncollateralized monies (See finding 2017-001), late agreed upon procedures report (See finding 2017-002), and financial statements (See finding 2017-003).

We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion in accordance with AT-C 215.35. 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 DFA-Local Government Division and New Mexico State Legislature and is not intended to be and should not be used by anyone other than those specified parties.


Joseph M. Salazar, CPA
April 11, 2018

STATE OF NEW MEXICO Exhibit A
CUBA SOIL AND WATER CONSERVATION DISTRICT
SCHEDULE REVENUE AND EXPENDITURES- BUDGET AND ACTUAL (CASH BASIS)
FOR YEAR ENDED June 30, 2017

	Budget Amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
General Fund				
REVENUES				
Sandoval County Mill Levy	\$ 135,000	\$ 135,000	\$ 195,402	60,402
Rio Arriba County Mill Levy	70,000	70,000	72,912	2,912
Interest	50	50	28	(22)
County	2,000	2,000	-	(2,000)
Other	2,500	2,500	1,092	(1,408)
NRCS rent and utilities	18,000	18,000	-	(18,000)
NMDA	13,000	13,000	12,603	(397)
NMFA building loan proceeds	71,000	71,000	70,965	(35)
Grant fund	10,250	10,250	5,842	(4,408)
Total revenues and transfers in	321,800	321,800	358,844	37,044
Cash balance budgeted	96,979	96,979	-	(96,979)
Total revenues and cash balance budgeted	<u>418,779</u>	<u>418,779</u>	<u>\$ 358,844</u>	<u>\$ (59,935)</u>
EXPENDITURES				
Debt service #2	11,856	11,856	11,816	40
Debt service	65,420	65,420	65,420	-
	<u>77,276</u>	<u>77,276</u>	<u>77,236</u>	<u>40</u>
General Fund				
Personnel services salaries including benefits	\$ 128,568	\$ 128,568	\$ 53,318	\$ 75,250
Bonding	300	300	-	300
Election expense	500	500	-	500
GRT tax	125	125	568	(443)
Mileage and per diem	8,000	8,000	1,988	6,012
Professional services	20,000	20,000	7,032	12,968
Dues and board fees	2,510	2,510	2,138	372
Education and training	2,000	2,000	1,065	935
Total	<u>162,003</u>	<u>162,003</u>	<u>66,109</u>	<u>95,894</u>
Operational				
Building expenses	8,000	8,000	4,613	3,387
Office supplies	3,000	3,000	484	2,516
Rental fee	1,000	1,000	-	1,000
Vehicle expense	5,000	5,000	2,307	2,693
Adverstising,public relations and legal notices	200	200	-	200
Postage expense	700	700	615	85
Utilities	11,000	11,000	8,432	2,568
Equipment,maintenance and repairs	2,000	2,000	393	1,607
Total	<u>30,900</u>	<u>30,900</u>	<u>16,844</u>	<u>14,056</u>

STATE OF NEW MEXICO Exhibit A
CUBA SOIL AND WATER CONSERVATION DISTRICT
SCHEDULE REVENUE AND EXPENDITURES- BUDGET AND ACTUAL (CASH BASIS)
FOR YEAR ENDED June 30, 2017

General Fund

	Budget Amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</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	78	422
Community Awareness	2,400	2,400	-	2,400
Awards/presentations	600	600	-	600
Totals	7,100	7,100	78	7,022
Conservation Projects				
Forest Health	5,000	5,000		5,000
Range improvements	16,500	16,500	5,951	10,549
Community ditches	16,500	16,500	8,000	8,500
Cropland improvements	16,500	16,500	-	16,500
Rodent/insect control	7,000	7,000	-	7,000
Erosion control	5,500	5,500	-	5,500
Weed control	3,500	3,500	400	3,100
Totals	70,500	70,500	14,351	56,149
Headquarters Building Project	71,000	71,000	70,965	35
Total expenditures and transfers out	\$ 418,779	\$ 418,779	245,583	173,196
Excess (deficiency) of revenues and transfers in over expenditures and transfers out			\$ 112,908	\$ (112,908)

STATE OF NEW MEXICO Exhibit A
CUBA SOIL AND WATER CONSERVATION DISTRICT
SCHEDULE REVENUE AND EXPENDITURES- BUDGET AND ACTUAL (CASH BASIS)
FOR YEAR ENDED June 30, 2017

	Budget Amounts		Actual	Variance with
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
Forestry Camp Fund				
REVENUES				
Registration	\$ 2,500	\$ 2,500	-	(\$2,500)
Donations/tuition	3,500	3,500	-	(3,500)
Sales	150	150	-	(150)
Total revenues	6,150	6,150	-	(6,150)
Cash balance budgeted	5,810	5,810	-	(5,810)
Total revenues and cash balance budgeted	<u>\$ 11,960</u>	<u>\$ 11,960</u>	<u>\$ -</u>	<u>\$ (11,960)</u>
EXPENDITURES				
Printing /promotions	\$ 700	\$ 700	-	\$ 700
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
Total expenditures	<u>11,960</u>	<u>11,960</u>	<u>-</u>	<u>11,960</u>
Excess revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF NEW MEXICO Exhibit A
CUBA SOIL AND WATER CONSERVATION DISTRICT
SCHEDULE REVENUE AND EXPENDITURES- BUDGET AND ACTUAL (CASH BASIS)
FOR YEAR ENDED June 30, 2017

	Budget Amounts		Actual	Variance with
	<u>Orginal</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
Scholarship Fund				
REVENUES				
Sales	\$ 10,000	\$ 10,000	\$ -	\$ (10,000)
Interest	20	20	-	(20)
Total revenues	<u>\$ 10,020</u>	<u>\$ 10,020</u>	<u>-</u>	<u>\$ (10,020)</u>
EXPENDITURES				
Scholarships	<u>\$ 3,000</u>	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ 3,000</u>
Total expenditures	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Excess revenues over expenditures	<u>\$7,020</u>	<u>\$7,020</u>	<u>\$ -</u>	<u>(\$7,020)</u>

STATE OF NEW MEXICO **Exhibit A**
CUBA SOIL AND WATER CONSERVATION DISTRICT
SCHEDULE REVENUE AND EXPENDITURES- BUDGET AND ACTUAL (CASH BASIS)
FOR YEAR ENDED June 30, 2017

	Budget Amounts		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
Grant Fund				
REVENUES				
BLM federal weed grant	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
State grant	2,100	2,100	-	(2,100)
Total revenues	\$ 7,100	\$ 7,100	\$ -	(7,100)
EXPENDITURES				
BLM federal weed program	\$ 5,000	\$ 5,000	\$ -	\$ 5,000
State grant	2,100	2,100	-	2,100
Total expenditures	7,100	7,100	-	7,100
Excess revenues over expenditures	-	-	-	-

CUBA SWCD GENERAL FUND - 4TH QUARTER REPORT-FY 16-17

	Last Qtr. Tot.	April	May	June	Qtr. Total	Y-T-D	2017 BUDGET	Balance	% Used
REVENUES									
Sandoval County Mill Levy	\$141,292.12	\$1,480.77	\$23,527.89	\$29,100.84	\$54,109.50	\$195,401.82	\$135,000.00	(\$60,401.82)	144.74%
Rio Arriba County Mill Levy	\$48,806.82	\$545.21	\$9,644.00	\$15,816.88	\$26,105.19	\$72,912.01	\$70,000.00	(\$2,812.01)	104.16%
Interest	\$22.20	\$1.84	\$1.89	\$2.08	\$5.81	\$28.01	\$60.00	\$21.99	58.02%
County	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,000.00	\$2,000.00	0.00%
Other	\$12,574.26	\$0.00	\$330.00	\$0.00	\$330.00	\$12,904.26	\$2,500.00	\$2,500.00	518.17%
NRCS Rent & Utilities	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$18,000.00	\$18,000.00	0.00%
NIMACD Capacity Building	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
NIMDA	\$0.00	\$0.00	\$6,633.18	\$0.00	\$6,633.18	\$6,633.18	\$13,000.00	\$6,366.82	51.02%
TOTALS	\$200,695.40	\$2,027.82	\$40,136.86	\$46,018.90	\$87,183.68	\$287,879.08	\$240,560.00	(\$34,424.82)	119.68%
NMFA Building Loan Proceeds	\$70,966.27	\$0.00	\$0.00	\$0.00	\$0.00	\$70,966.27	\$71,000.00	(\$70,966.27)	99.86%
TOTAL REVENUE	\$271,860.67	\$2,027.82	\$40,136.86	\$46,018.90	\$87,183.68	\$368,844.35	\$311,560.00	(\$105,990.09)	115.18%
FUND TRANSFERS - IN									
Grant Fund - Personnel/Admin	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,250.00	\$10,250.00	0.00%
TOTAL REV. & TRANSFERS	\$271,860.67	\$2,027.82	\$40,136.86	\$46,018.90	\$87,183.68	\$368,844.35	\$321,800.00	(\$95,140.09)	111.61%
EXPENDITURES									
Debt Service - Building #2	\$8,883.27	\$984.78	\$983.83	\$983.83	\$2,952.44	\$11,815.71	\$11,856.00	\$40.29	98.66%
Debt Service - Building	\$48,095.48	\$5,451.72	\$5,451.71	\$5,451.71	\$16,355.14	\$65,420.62	\$65,420.00	(\$0.62)	100.00%
	\$57,928.75	\$6,436.50	\$6,435.54	\$6,435.54	\$19,307.58	\$77,236.33	\$77,276.00	\$39.67	98.86%
Personnel Services									
Salaries (f-t)	\$21,420.31	\$2,261.20	\$2,263.20	\$2,263.20	\$6,787.60	\$26,207.91	\$91,937.00	\$63,729.09	30.69%
Salaries (p-t)	\$4,288.77	\$350.92	\$626.38	\$626.38	\$1,403.88	\$5,680.45	\$9,575.00	\$3,885.55	59.42%
Medicare	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,428.00	\$2,428.00	0.00%
P.E.R.A.	\$5,208.83	\$479.28	\$479.28	\$479.28	\$1,437.84	\$6,644.97	\$7,585.00	\$940.33	87.60%
Workmen's Comp.	\$402.80	\$34.40	\$0.00	\$0.00	\$34.40	\$437.20	\$3,000.00	\$2,562.80	14.57%
Unemp. Ins.	\$62.40	\$32.65	\$0.00	\$0.00	\$32.65	\$85.05	\$1,000.00	\$914.95	8.51%
Health Ins.	\$4,830.84	\$1,073.62	\$0.00	\$638.78	\$1,810.28	\$6,441.12	\$9,000.00	\$2,558.88	71.57%
FICA	\$3,485.49	\$1,184.46	\$0.00	\$0.00	\$1,184.46	\$4,679.96	\$4,042.00	(\$637.96)	116.76%
TOTALS	\$39,696.44	\$6,418.43	\$3,268.86	\$3,806.62	\$12,490.91	\$62,186.35	\$128,588.00	\$76,391.65	40.69%
Administrative									
Mil./Per Diam	\$1,717.28	\$0.00	\$139.69	\$139.69	\$270.68	\$1,987.66	\$8,000.00	\$6,012.14	24.85%
Bonding	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$300.00	\$300.00	0.00%
Election	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
Professional Services	\$7,332.27	\$0.00	\$0.00	\$0.00	\$0.00	\$7,332.27	\$20,000.00	\$12,667.73	36.69%
Dues	\$2,460.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,450.00	\$2,510.00	\$60.00	97.61%
Education & Training	\$890.00	\$75.00	\$0.00	\$0.00	\$75.00	\$1,095.00	\$2,000.00	\$905.00	53.25%
Gross Rctis. Tax	\$667.41	\$0.00	\$0.00	\$0.00	\$0.00	\$567.41	\$125.00	(\$442.41)	453.93%
TOTALS	\$13,058.96	\$75.00	\$130.69	\$139.69	\$345.68	\$13,402.64	\$32,595.00	\$19,192.46	40.69%

CUBA SWCD GENERAL FUND - 4TH QUARTER REPORT-FY 16-17

	Last Qtr. Tot.	April	May	June	Qtr. Total	Y-T-D	2017 BUDGET	Balance	% Used
Operational									
Office Supplies	\$82.04	\$0.00	\$391.68	\$0.00	\$391.68	\$483.72	\$3,000.00	\$2,516.28	16.12%
Adv./Legal Notices	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$200.00	\$200.00	0.00%
Rental Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,000.00	\$1,000.00	0.00%
Subscriptions	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
Equip. Maint. & Rep.	\$393.25	\$0.00	\$0.00	\$0.00	\$0.00	\$393.25	\$2,000.00	\$1,606.75	19.68%
Postage	\$482.23	\$85.13	\$0.00	\$47.31	\$132.44	\$614.67	\$7,000.00	\$66.33	77.81%
Utilities	\$6,517.15	\$438.22	\$810.69	\$697.83	\$1,914.74	\$8,431.89	\$11,000.00	\$2,568.11	76.63%
Building Operation & Maintenance	\$3,420.31	\$0.00	\$0.00	\$1,218.00	\$1,218.00	\$4,638.31	\$8,000.00	\$3,361.69	57.89%
Vehicle Operation & Maintenance	\$2,089.39	\$153.73	\$84.19	\$0.00	\$237.92	\$2,307.31	\$5,000.00	\$2,692.69	48.15%
TOTALS	\$12,974.37	\$875.08	\$1,286.56	\$1,933.14	\$3,894.78	\$16,869.15	\$30,800.00	\$11,338.16	54.59%
Conservation Education									
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	\$350.00	\$350.00	0.00%
District Publications	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$250.00	\$250.00	0.00%
School Activities	\$78.32	\$0.00	\$0.00	\$0.00	\$0.00	\$78.32	\$500.00	\$421.68	15.66%
Community Awareness	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,400.00	\$2,400.00	0.00%
Awards/Presentations	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$600.00	\$600.00	0.00%
TOTALS	\$78.32	\$0.00	\$0.00	\$0.00	\$0.00	\$78.32	\$7,100.00	\$7,021.68	1.10%
Conservation Projects									
Forest Health	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,000.00	\$5,000.00	0.00%
Range Improvements	\$3,047.83	\$0.00	\$0.00	\$0.00	\$0.00	\$3,047.83	\$16,500.00	\$13,452.17	18.47%
Community Ditches	\$8,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$8,000.00	\$16,500.00	\$8,600.00	48.48%
Cropland Improvements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$16,500.00	\$16,500.00	0.00%
Rodent/Insect Control	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$7,000.00	\$7,000.00	0.00%
Erosion Control	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,500.00	\$5,600.00	0.00%
Weed Control	\$400.00	\$0.00	\$0.00	\$0.00	\$0.00	\$400.00	\$3,500.00	\$3,100.00	11.43%
TOTALS	\$11,447.83	\$0.00	\$0.00	\$0.00	\$0.00	\$11,447.83	\$70,600.00	\$59,052.17	18.24%
Headquarters Building Project									
	\$70,985.27	\$0.00	\$0.00	\$0.00	\$0.00	\$70,985.27	\$71,000.00	\$34.73	99.95%
TOTAL EXPEND.	\$208,146.94	\$12,603.01	\$11,121.55	\$12,314.29	\$36,038.85	\$242,186.79	\$418,279.00	\$173,400.52	57.90%
FUND TRANSFERS									
Forestry Camp Fund	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
Special Grants	\$3,750.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,750.00	\$0.00	(\$3,750.00)	#DIV/0!
TOTAL TRANSFERS	\$3,750.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,750.00	\$0.00	(\$3,750.00)	#DIV/0!
TOTAL EXP./TRANS.	\$209,896.94	\$12,603.01	\$11,121.55	\$12,314.29	\$36,038.85	\$245,936.79	\$418,279.00	\$189,650.52	58.80%

CUBA SWCD FORESTRY CAMP FUND - 4TH QUARTER REPORT - FY 16-17

	Last Qtr. Tot.	April	May	June	Qtr. Total	Y-T-D	2017 BUDGET	Balance	% Used
REVENUES									
Registrations	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,500.00	\$2,500.00	0.00%
Donations/Tuition	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,500.00	\$3,500.00	0.00%
Sales	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$150.00	\$150.00	0.00%
TOTALS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6,150.00	\$6,150.00	0.00%
FUND TRANSFERS									
General Fund	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
TOTAL REV. & TRANS.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6,150.00	\$6,150.00	0.00%
EXPENDITURES									
Printing/Promotion	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$700.00	\$700.00	0.00%
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	\$0.00	\$0.00	\$0.00	\$1,100.00	\$1,100.00	0.00%
Camp Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$7,000.00	\$7,000.00	0.00%
Personnel/Program	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,200.00	\$1,200.00	0.00%
Transportation	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$900.00	\$900.00	0.00%
Insurance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$550.00	\$550.00	0.00%
Food	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$500.00	\$500.00	0.00%
Taxes	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10.00	\$10.00	0.00%
TOTALS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$11,960.00	\$11,960.00	0.00%

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CUBA SWCD SCHOLARSHIP FUND - 4TH QUARTER REPORT - FY 16-17

	Last Qtr. Tot.	April	May	June	Qtr. Total	Y-T-D	2017 Budget	Balance	% Used
REVENUES									
Sales	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,000.00	\$10,000.00	0.00%
Interest	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$20.00	\$20.00	0.00%
TOTALS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,020.00	\$10,020.00	0.00%
EXPENDITURES									
Service charge	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
Scholarships	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,000.00	\$3,000.00	0.00%
TOTALS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,000.00	\$3,000.00	0.00%

CUBA SWCD GRANT FUND - 4TH QUARTER REPORT - FY 16-17

	Last Qtr. Tot.	April	May	June	Qtr. Total	Y-T-D	2017 BUDGET	Balance	% Used
REVENUES									
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	\$0.00	\$0.00	#DIV/0!
Forest Health	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
Water Quality & Cons.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,100.00	\$2,100.00	0.00%
Grant Admin. Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
TOTALS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$7,100.00	\$7,100.00	0.00%
EXPENDITURES									
Special Projects									
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	\$0.00	\$0.00	#DIV/0!
Forest Health	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
Water Quality & Cons.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,100.00	\$2,100.00	0.00%
Outdoor Classroom	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	#DIV/0!
TOTAL EXPENDITURES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$7,100.00	\$7,100.00	0.00%
FUND TRANSFERS									
General Fund - Labor/Admin.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,500.00	\$1,500.00	0.00%
TOTAL EXP. /TRANS.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$8,600.00	\$8,600.00	0.00%

CUBA SWCD FUND BALANCES
4TH QUARTER - FY 16-17

	GENERAL	FORESTRY CAMP	SCHOLARSHIP	GRANT	TOTAL
FUND BALANCE 07-01-16	\$177,956.95	\$7,275.54	\$47.48	\$4,165.75	\$189,445.72
TRANSFERS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
REVENUES	\$271,660.67	\$0.00	\$0.00	\$0.00	\$271,660.67
EXPENDITURES	(\$209,896.94)	\$0.00	\$0.00	\$0.00	(\$209,896.94)
FUND BALANCE 06/30/2017	\$239,720.68	\$7,275.54	\$47.48	\$4,165.75	\$251,209.45

CUBA SWCD CASH RECONCILIATION REPORT
4TH QUARTER REPORT - FY 16-17

	CHECKING	SCHLRSHIP	CD'S	TOTAL
CASH BAL. JULY 1, 2016	\$185,581.84	\$47.48	\$5,000.00	\$190,629.32
GENERAL FUND REVENUES	\$271,660.67	\$0.00	\$0.00	\$271,660.67
FORESTRY CAMP FUND REVENUES	\$0.00	\$0.00	\$0.00	\$0.00
SCHOLARSHIP FUND REVENUES	\$0.00	\$0.00	\$0.00	\$0.00
GRANT FUND REVENUES	\$0.00	\$0.00	\$0.00	\$0.00
TRANSFERS - CHECKING/CD'S	\$0.00	\$0.00	\$0.00	\$0.00
TOTALS	\$457,242.51	\$47.48	\$5,000.00	\$462,289.99
GENERAL FUND EXPENDITURES	\$209,896.94	\$0.00	\$0.00	\$209,896.94
FORESTRY CAMP FUND EXPENDITURES	\$0.00	\$0.00	\$0.00	\$0.00
SCHOLARSHIP FUND EXPENDITURES	\$0.00	\$0.00	\$0.00	\$0.00
GRANT FUND EXPENDITURES	\$0.00	\$0.00	\$0.00	\$0.00
TOTALS	\$209,896.94	\$0.00	\$0.00	\$209,896.94
CASH BALANCE JUNE 30, 2017	\$247,345.57	\$47.48	\$5,000.00	\$252,393.05

**STATE OF NEW MEXICO
CUBA SOIL AND WATER CONSERVATION DISTRICT
Schedule of Findings and Responses
YEAR ENDED JUNE 30, 2017**

Current Year Finding

2017-001 Uncollateralized Monies

Criteria

New Mexico State Statute Section 6-10-17 requires the District to collateralize monies by 50% in excess of FDIC coverage.

Condition

The District is in violation of New Mexico State Statute Section 6-10-17, NMSA 1978 compilation that requires banks or savings and loans to provide 50% collateral on funds held that exceed the Federal Deposit Insurance Corporation (FDIC) insurance limit. The District had monies in its checking account in excess of the FDIC (\$250,000) insurance coverage for five months during the fiscal year which were not at least 50% collateralized..

Cause

The District did not realize it was in violation of state statute.

Effect

The District is in violation of New Mexico State Statute.

Recommendation

Recommend that District comply with New Mexico State Statute 6-10-17 NMSA 1978 Compilation and collateralize funds in excess of FDIC coverage by 50% or open a different type of account in order to be insured.

Entity Response

The District Manager is currently working on setting up a different account for the district. We contacted a local bank by phone on November 14, 2017 and on November 17, 2017 two board members and the administrative clerk of the district went to the bank to meet with the bank manager. At that time we were informed that our account had to be updated and the following information was needed –a CRS number, Tax exempt number, good standing with audits and copy of December 2017 board meeting minutes showing what two board members would be signing for the account.

**STATE OF NEW MEXICO
CUBA SOIL AND WATER CONSERVATION DISTRICT
Schedule of Findings and Responses
YEAR ENDED JUNE 30, 2017**

2017-002 Late Agreed Upon Procedures Report

Criteria

New Mexico State Auditor Rule Section 2.2.2.9 A (g) and the audit contract require that the District's agreed upon procedures report be submitted to the State Auditor's Office no later than December 15, 2017 deadline.

Condition

It was determined that the District was a tier 6 instead of a tier 4 after the due date of December 15.

Cause

District personal was under the impression that it was a tier 4 as in previous years.

Effect

The lateness of the agreed upon procedures report creates noncompliance with the State Auditor Rule requirement of completing and submitting the agreed upon procedures report by the due date.

Recommendation

Recommend that the District comply with the State Auditor Rule requirement of completing and submitting the agreed upon procedures report by the due date.

Entity Response

Cuba Soil & Water Conservation District will comply with the State Auditor Rule to complete and submit the agreed upon procedures report by the due date next fiscal year.

**STATE OF NEW MEXICO
CUBA SOIL AND WATER CONSERVATION DISTRICT
Schedule of Findings and Responses
YEAR ENDED JUNE 30, 2017**

2017-003

Financial Statements

Criteria

Generally accepted accounting principles require that an organization maintain financial records that summarize all its financial transactions of the organizations.

Condition

The District did not maintain financial statements that contain all the organization's transactions on one complete set of books to include all transaction of the organization such as statement of net position, statement of activities, balance sheet, and statement of revenues, expenditures and changes in fund balance-governmental funds. The District financial records are cash receipts and disbursements posted to quick books for the fiscal year.

Cause

The District is a small organization and unaware of the need for its financial records to include capital assets, loan payable, accounts receivables, account payable, revenues and expenditures on an accrual basis in one set of financial statements.

Effect

District does not have one complete form of financial statements where all its financial information is summarized and available to prepare financial statements that include all of the District transactions.

Recommendation

Recommend that the District expand its financial reporting to include accounts receivable, accounts payable, loan payable and capital assets and depreciation, etc. to enable the District to have a complete set of financial records.

Entity Response

Cuba Soil and Water Conservation District will expand its financial reporting to include accounts receivables, accounts payable, loan payable, capital assets and depreciation, etc to enable the District to have a complete set of financial records, and to attain further training. The District will comply with this by April 10, 2019.

STATE OF NEW MEXICO
CUBA SOIL AND WATER CONSERVATION DISTRICT
Status of Prior Year Findings
YEAR ENDED JUNE 30, 2017

None

STATE OF NEW MEXICO
CUBA SOIL AND WATER CONSERVATION DISTRICT

Exit Conference

YEAR ENDED JUNE 30, 2017

Exit Conference

The report contents were discussed at an exit conference held April 11, 2018 with the following in attendance:

Cuba Soil and Water Conservation District

James Montoya, Chairman

Brian Velarde, District Manager/Program Coordinator

Caroline Lovato, Administrative Clerk

Accounting Firm

Joseph M. Salazar, CPA