

**STATE OF NEW MEXICO**  
**MORA-WAGON MOUND**  
**SOIL AND WATER CONSERVATION DISTRICT**

**FINANCIAL STATEMENTS**  
**Fiscal Year Ended June 30, 2006**

**(With Independent Auditor's Report Thereon)**

STATE OF NEW MEXICO  
MORA-WAGON MOUND SOIL AND WATER CONSERVATION DISTRICT

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JUNE 30, 2006

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STATE OF NEW MEXICO  
MORA-WAGON MOUND SOIL AND WATER CONSERVATION DISTRICT

OFFICIAL ROSTER  
JUNE 30, 2006

<u>Board of Supervisors</u>	<u>Position</u>
Walter Wiggins	Chairperson
Danny Chavez	Vice-Chairperson
Monica Ashe	Secretary/Treasurer
Arthur Sandoval	Member
Eldie Cruz	Member

<u>District Personnel</u>	<u>Title</u>
Dora Pino	District Clerk



# **OFFICE OF THE STATE AUDITOR**

**Hector H. Balderas**

## **INDEPENDENT AUDITOR'S REPORT**

Mr. Walter Wiggins, Chair  
and Members of the Board of Supervisors  
Mora-Wagon Mound Soil and Water Conservation District  
P. O. Box 666  
Mora, New Mexico 87701

We have audited the accompanying financial statements of the governmental activities, the general fund and the respective budgetary comparison of the Mora Wagon-Mound Soil and Water Conservation District (District) as of and for the year ended June 30, 2006, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the District as of June 30, 2006 and the respective changes in financial position, thereof and the budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The District has not presented the Management's Discussion and Analysis required by *GASB Statement No. 34* that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 23, 2007 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

*Office of the State Auditor*  
OFFICE OF THE STATE AUDITOR  
March 23, 2007

STATE OF NEW MEXICO  
MORA-WAGON MOUND SOIL AND WATER CONSERVATION DISTRICT  
STATEMENT OF NET ASSETS  
JUNE 30, 2006

	Governmental Activities
<b>Assets</b>	
Cash	\$ 19,337
Taxes receivable	96
Capital assets, net	929
Total assets	20,362
<b>Liabilities</b>	
Accounts payable	104
Total liabilities	104
<b>Net Assets</b>	
Invested in capital assets	929
Unrestricted	19,329
Total net assets	\$ 20,258

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
MORA-WAGON MOUND SOIL AND WATER CONSERVATION DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	Governmental Activities
<b>Program Expenses:</b>	
Conservation:	
Contractual Services	\$ 5,200
Per Diem & Travel	2,456
Office Expenses	577
Registration	585
Supervisor's Fees	2,250
Information & Education	1,207
Advertising	74
Awards	52
Dues	987
Depreciation	928
Total program expenses	<u>14,316</u>
<b>Program Revenues:</b>	
Equipment Rental	<u>150</u>
Total program revenues	<u>150</u>
Net program (expenses) revenues	<u>(14,166)</u>
<b>General Revenues:</b>	
NMDA allotment	5,966
Property taxes	9,733
Interest	18
Total general revenues	<u>15,717</u>
Change in net assets	1,551
Net assets at beginning of year	<u>18,707</u>
Net assets at end of year	<u>\$ 20,258</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
MORA-WAGON MOUND SOIL AND WATER CONSERVATION DISTRICT  
BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2006

	General Fund
<b>Assets</b>	
Cash	\$ 19,337
Taxes receivable	96
Total assets	\$ 19,433
<b>Liabilities and fund balance</b>	
<b>Liabilities:</b>	
Accounts payable	\$ 104
Total liabilities	104
<b>Fund balance:</b>	
Unreserved, designated for subsequent year's expenditures	15,000
Unreserved, undesignated	4,329
Total fund balance	19,329
Total liabilities and fund balance	\$ 19,433

The notes to the financial statements are an integral part of this statement.



STATE OF NEW MEXICO  
MORA-WAGON MOUND SOIL AND WATER CONSERVATION DISTRICT  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Amounts reported for governmental activities in the Statement of Net Assets are different from the way they are reported in the Balance Sheet - Governmental Funds as follows:

Fund Balance - Balance Sheet (Exhibit 3) \$ 19,329

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the general fund:

Capital Assets, Net 929

Net Assets - Statement of Net Assets (Exhibit 1) \$ 20,258

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
MORA-WAGON MOUND SOIL AND WATER CONSERVATION DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	General Fund
<b>Revenues</b>	
State allocation	\$ 5,966
Property taxes	9,733
Equipment rental	150
Interest	18
Total revenues	15,867
<b>Expenditures</b>	
Conservation:	
Current:	
Contractual Services	5,200
Per Diem & Travel	2,456
Office Expenses	577
Registration	585
Supervisor's Fees	2,250
Information & Education	1,207
Advertising	74
Awards	52
Dues	987
Total expenditures	13,388
Net change in fund balance	2,479
Fund balance beginning of year	16,850
Fund balance end of year	\$ 19,329

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
MORA-WAGON MOUND SOIL AND WATER CONSERVATION DISTRICT  
RECONCILIATION OF THE STATEMENT OF ACTIVITIES TO THE STATEMENT  
OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Net change in fund balance - Governmental Funds (Exhibit 4)      \$ 2,479

Amounts reported in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful life of the asset and reported as depreciation expense as follows:

Depreciation expense      (928)

Change in net assets - Statement of Activities (Exhibit 2)      \$ 1,551

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
MORA-WAGON MOUND SOIL AND WATER CONSERVATION DISTRICT  
STATEMENT OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006

	General Fund			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
State allocation	\$ 6,000	\$ 6,000	\$ 5,966	\$ (34)
Property taxes	4,500	4,500	9,733	5,233
Equipment rental	1,200	1,200	150	(1,050)
Interest income	-	-	18	18
Total revenues	<u>\$ 11,700</u>	<u>\$ 11,700</u>	<u>\$ 15,867</u>	<u>\$ 4,167</u>
Cash balance budgeted	16,756	16,756		
Total revenues and cash	<u>\$ 28,456</u>	<u>\$ 28,456</u>		
<b>Expenditures</b>				
Contractual services	\$ 5,788	\$ 5,788	\$ 5,200	\$ 588
Travel & per diem	3,388	3,388	2,404	984
Office expenses	1,000	1,000	577	423
Dues	975	975	987	(12)
Bond	180	180	-	180
Information & education	1,700	1,700	1,207	493
Equipment expense	12,175	12,175	-	12,175
Supervisor fees	2,700	2,700	2,250	450
Registration fees/admin.	450	450	585	(135)
Advertising	100	100	74	26
Total expenditures	<u>\$ 28,456</u>	<u>\$ 28,456</u>	<u>\$ 13,284</u>	<u>\$ 15,172</u>

The notes to the financial statements are an integral part of the statement.

STATE OF NEW MEXICO  
MORA-WAGON MOUND SOIL AND WATER CONSERVATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2006

**I. Summary of Significant Accounting Policies**

**A. Reporting Entity**

The Mora-Wagon Mound 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 NMSA 1978). 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 for 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 organizations comprising its legal entity. Although the District is organized as a subdivision of the State and administratively 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, nor is it legally liable for actions of other agencies.

The financial reporting policies of the District conform to 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 statements, 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 assets) report information on all of the nonfiduciary 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  
MORA-WAGON MOUND SOIL AND WATER CONSERVATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2006

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 charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment such as equipment rental. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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.

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 period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal 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 fund:

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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial

STATE OF NEW MEXICO  
MORA-WAGON MOUND SOIL AND WATER CONSERVATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2006

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 Assets and Fund Balance**

1. Cash

The District's cash is in a demand deposit account.

2. Capital Assets

Capital assets, which include property, equipment (including software), and (list other items as applicable) are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by state law 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 item 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 was no infrastructure required to be capitalized and depreciated under GASB Statement No. 34.

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

Equipment	5-7 years
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3. Liabilities

Accounts payable consist of a travel amount of \$52,48 and awards amount of \$51,70 due as of June 30, 2006, but were paid off after fiscal year-end.

STATE OF NEW MEXICO  
MORA-WAGON MOUND SOIL AND WATER CONSERVATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2006

4. Net Assets and Fund Balance

The difference between the District's assets and liabilities is its net assets. The District's net assets consist of three components – invested in capital assets, which is the cost of capital assets, net of accumulated depreciation, unrestricted net assets, and restricted net assets- wherein the constraints are placed on net asset use either by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other government or imposed by law through constitutional provisions or enabling legislation. The District has no fund balance reservations, but does have \$15,000 of its fund balance that has been designated to balance the budget for the subsequent fiscal year.

**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 April 1, the Budget Committee submits to the District Board of Supervisors a proposed revenue and expenditure budget for the fiscal year beginning July 1.
2. The Board reviews the budget proposal and makes any necessary adjustments.
3. Prior to June 1, the Board approves the budget by passing a resolution.
4. Prior to June 20, 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 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  
MORA-WAGON MOUND SOIL AND WATER CONSERVATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2006

**B. Reconciliation of Non-GAAP Budgetary Basis to GAAP Basis Financial Statements**

	General Fund	
Non-GAAP revenues (Exhibit 5)	\$ 15,907	
Current year receivables	96	
Prior year receivables	(137)	
GAAP revenues (Exhibit 4)	<u>\$ 15,866</u>	
Non-GAAP expenditures (Exhibit 5)	\$ 13,284	
Current year accounts payable	104	
GAAP expenditures (Exhibit 4)	<u>\$ 13,388</u>	

**III. Detailed Notes on all Funds**

**A. Cash**

As of June 30, 2006, the District had a carrying amount of deposits of \$19,337. The bank balances for deposits were \$19,382. The difference is due to \$45 for an outstanding check. The total bank balance of \$19,382 consisted of the following:

<u>Wells Fargo Bank</u>	\$ 19,382
Choice IV Checking Account	(19,382)
Less: FDIC coverage	<u>0-</u>
Amount uninsured	<u>\$ 0-</u>

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2006, the District's bank balance was not exposed to custodial credit risk since it is fully insured by the FDIC.

STATE OF NEW MEXICO  
MORA-WAGON MOUND SOIL AND WATER CONSERVATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2006

**B. Capital Assets**

Capital asset activity for the year ended June 30, 2006 was as follows:

	Balance 6/30/05	Additions	Deletions	Balance 6/30/06
<u>Governmental Activities</u>				
Assets being depreciated:				
Equipment	\$10,775	\$ -	\$ -	\$10,775
Totals at historical cost	<u>10,775</u>	<u>-</u>	<u>-</u>	<u>10,775</u>
Less accumulated depreciation for:				
Equipment	(8,918)	(929)	-	(9,847)
Total accumulated depreciation	<u>(8,918)</u>	<u>(929)</u>	<u>-</u>	<u>(9,847)</u>
Total Capital Assets, Net	<u>\$ 1,857</u>	<u>\$ (929)</u>	<u>-</u>	<u>\$ 928</u>

**IV. Other Information**

**A. Employee Benefits**

The District does not offer a pension, plan, deferred compensation plan, or post-employment retirement benefits to its employee.

**B. Risk Management**

The District is exposed to various risks of loss due to torts, theft or damage of assets, errors and omissions and natural disasters. The District's supervisors and employees are covered by an errors and omissions liability policy purchased by the New Mexico State University, Department of Agriculture, to which the District is administratively attached. The limits for this policy are \$1,050,000 for each wrongful act and \$1,050,000 for the policy aggregated. The District is required to obtain a corporate fidelity bond on behalf of persons responsible for District assets. The District has faced no losses during the last several years and is not a defendant in any lawsuit.



# OFFICE OF THE STATE AUDITOR

Hector H. Balderas

Report on Internal Control Over Financial Reporting and on Compliance and Other  
Matters Based on an Audit of Financial Statements Performed  
in Accordance with *Government Auditing Standards*

Mr. Walter Wiggins, Chair  
and Members of the Board of Supervisors  
Mora-Wagon Mound Soil and Water Conservation District  
P. O. Box 666  
Mora, New Mexico 87732

We have audited the accompanying financial statements of the governmental activities, the general fund and the respective budgetary comparison of the Mora-Wagon Mound Soil and Water Conservation District (District) as of and for the year ended June 30, 2006 and have issued our report dated March 23, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

## Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 05-1 and 05-2.

This report is intended solely for the information and use of management, the New Mexico Office of the State Auditor, the New Mexico State University - Department of Agriculture, New Mexico Department of Finance and Administration, the state legislature and grantors and is not intended to be and should not be used by anyone other than these specified parties.

*Office of the State Auditor*

OFFICE OF THE STATE AUDITOR

March 23, 2007

STATE OF NEW MEXICO  
MORA-WAGON MOUND SOIL AND WATER CONSERVATION DISTRICT

SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2006

STATUS OF PRIOR YEAR AUDIT FINDINGS

- 04-1. Discrepancies between bank records and accounting & reporting - Resolved
- 05-1. Per Diem Non Compliance – Modified and repeated
- 05-2. Bond Insurance – Modified and repeated

CURRENT YEAR AUDIT FINDINGS

- 05-1. Non Compliance with Per Diem Regulations

Condition

The District used a combination of per diem and actual to pay for travel reimbursements. The District reimbursed actual hotel expenses of \$402.27 for 5 hotel nights in addition to per diem of \$157.50 at the rate of \$22.50 per day to three Board members while on District's business.

Criteria

In accordance with 2.42.2.8 NMAC, Per Diem rates shall be paid for in-state areas at \$85 per day for overnight travel or actual expenses within specified limits, not a combination of both. The New Mexico Department of Finance and Administration (DFA) Rule establishes travel and per diem regulations under section 10-8-1 through 10-8-8 of the *New Mexico Statutes Annotated 1978* (NMSA).

Effect

The District is not complying with the State's per diem regulations. By not following the travel and per diem regulations, the District may have overpaid Board members.

Cause

The District clerk was unaware that a combination of actual and per diem rates could not be used to reimburse travel expenses.

Recommendation

The District should review the State Per Diem and Mileage Act and familiarize themselves with the regulations applicable to actual and per diem travel expenditure reimbursements. The district should not use a combination of per diem and actual at the same time.

STATE OF NEW MEXICO  
MORA-WAGON MOUND SOIL AND WATER CONSERVATION DISTRICT  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2006

District's Response

The District will have the Board's approval before travel if actual expenses are to be paid. If there is no approval of actual expenses prior to travel then the District will pay the per diem rate of \$85/day.

05-2. No Surety Bond Insurance

Condition

The District did not obtain a surety bond on behalf of the persons responsible for the District's assets.

Criteria

In accordance with District policies, the District is required to maintain a bond for various risks of loss the District is exposed to.

Effect

The District is not covered for risks of loss due to torts, theft or damage of assets, errors or omissions and natural disasters.

Cause

The District has not been able to find a company to issue this bond insurance.

Recommendation

The District should obtain a surety bond for all persons responsible for the District's assets. The District should inquire with other Districts on where they obtain their surety bonds.

District's Response

The District will continue to look for an agency that would underwrite a surety bond for the District. A bond will be obtained as soon as one becomes available.

STATE OF NEW MEXICO  
MORA WAGON-MOUND SOIL AND WATER CONSERVATION DISTRICT

EXIT CONFERENCE  
JUNE 30, 2006

Financial Statement Preparation

The accompanying financial statements were prepared by the Office of the State Auditor. However, the contents remain the responsibility of the District.

Exit Conference

On March 23, 2007 an exit conference was held at the District Office with Danny Chavez, Board Member and Ms. Dora Pino, District Clerk of the Mora-Wagon Mound Soil and Water Conservation District. Representing the Office of the State Auditor was Joyce Sandoval, Supervisor and Peter Pacheco, Auditor.