

**State of New Mexico**  
**OFFICE OF THE STATE AUDITOR**

STATE OF NEW MEXICO

SANTA FE-POJOAQUE  
SOIL AND WATER CONSERVATION DISTRICT

FINANCIAL STATEMENTS  
Fiscal Year Ended June 30, 2005

(With Independent Auditor's Report Thereon)



**Domingo P. Martinez, CGFM**  
**State Auditor**

STATE OF NEW MEXICO  
SANTA FE-POJOAQUE SOIL AND WATER CONSERVATION DISTRICT  
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JUNE 30, 2005

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STATE AUDITOR

STATE OF NEW MEXICO  
SANTA FE-POJOAQUE SOIL AND WATER CONSERVATION DISTRICT

OFFICIAL ROSTER  
JUNE 30, 2005

<u>Board of Supervisors</u>	<u>Position</u>
Arsenio Trujillo	Chairperson
Joe T. Maestas	Vice-Chairperson
Jose Carlos Ortiz	Treasurer
Jose R. Roybal	Supervisor
Rey Romero	Supervisor
Jose J. Varela Lopez	Supervisor
Alfredo J. Roybal	Supervisor
<u>District Personnel</u>	<u>Title</u>
Judith Keane	Administrative Assistant
Laurel Sherr	Administrative Assistant



# State of New Mexico

## OFFICE OF THE STATE AUDITOR

Domingo P. Martinez, CGFM  
State Auditor

Carl M. Baldwin, CPA, CFE  
Deputy State Auditor

### INDEPENDENT AUDITOR'S REPORT

Arsenio Trujillo, Chairperson  
and Members of the Board of Supervisors  
Santa Fe-Pojoaque Soil and Water Conservation District  
1911 5<sup>th</sup> Street, Suite 201  
Santa Fe, New Mexico 87505

We have audited the accompanying financial statements of the governmental activities, general fund and the respective budgetary comparison of the Santa Fe-Pojoaque Soil and Water Conservation District (District) as of and for the year ended June 30, 2005, 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, 2005, 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

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<http://www.saonm.org>

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 February 24, 2006 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

February 24, 2006

STATE OF NEW MEXICO  
SANTA FE-POJOAQUE SOIL AND WATER CONSERVATION DISTRICT  
STATEMENT OF NET ASSETS  
JUNE 30, 2005

Exhibit 1

	Governmental Activities
<b>Assets</b>	
Cash	\$ 42,151
Total assets	<u>42,151</u>
<b>Liabilities</b>	
Accounts payable	<u>2,336</u>
Total liabilities	<u>2,336</u>
<b>Net Assets</b>	
Unrestricted	<u>39,815</u>
Total net assets	<u><u>\$ 39,815</u></u>

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

STATE OF NEW MEXICO  
 SANTA FE-POJOAQUE SOIL AND WATER CONSERVATION DISTRICT  
 STATEMENT OF ACTIVITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	Governmental Activities
<b>Program Expenses:</b>	
Conservation:	\$
Per Diem Travel	2,542
Insurance	175
Training	466
Legal notices	732
Dues	575
Office Expense	269
Information & Education	817
Special projects	4,106
Personnel	5,550
Miscellaneous	13
<b>Total program expenses</b>	<u>15,245</u>
<b>Program Revenues:</b>	
Operating grant - Santa Fe County	<u>5,000</u>
<b>Total program revenues</b>	<u>5,000</u>
<b>Net program (expense) revenue</b>	<u>(10,245)</u>
<b>General Revenues:</b>	
State Allotment	7,331
Interest	286
<b>Total general revenues</b>	<u>7,617</u>
<b>Change in net assets</b>	<u>(2,628)</u>
<b>Net assets at beginning of year</b>	<u>42,443</u>
<b>Net assets at end of year</b>	<u>\$ 39,815</u>

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

STATE OF NEW MEXICO  
 SANTA FE-POJOAQUE SOIL AND WATER CONSERVATION DISTRICT  
 BALANCE SHEET - GOVERNMENTAL FUNDS  
 JUNE 30, 2005

	General Fund
<b>Assets</b>	
Cash	\$ 42,151
Total assets	\$ 42,151
<b>Liabilities and fund balance</b>	
<b>Liabilities:</b>	
Accounts payable	\$ 2,336
Total liabilities	2,336
<b>Fund balance:</b>	
Unreserved, designated for subsequent year's expenditures	12,355
Unreserved, undesignated	27,460
Total fund balance	39,815
Total liabilities and fund balance	\$ 42,151

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



STATE OF NEW MEXICO  
 SANTA FE-POJOAQUE SOIL AND WATER CONSERVATION DISTRICT  
 STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	<u>General Fund</u>
<b>Revenues</b>	
State Allotment	\$ 7,331
County grant	5,000
Interest	286
Total revenues	<u>12,617</u>
<b>Expenditures</b>	
Conservation:	
Current:	
Per Diem Travel	2,542
Insurance	175
Training	466
Legal notices	732
Dues	575
Office Expense	269
Information & Education	817
Special projects	4,106
Personnel	5,550
Miscellaneous	13
Total expenditures	<u>15,245</u>
Net change in fund balance	(2,628)
Fund balance beginning of year	<u>42,443</u>
Fund balance end of year	<u>\$ 39,815</u>

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

STATE OF NEW MEXICO

Exhibit 5

SANTA FE-POJOAQUE 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, 2005

	General Fund			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
State allocation	\$ 6,000	\$ 6,000	\$ 7,331	\$ 1,331
County grant	5,000	5,000	5,000	-
Interest	375	375	286	(89)
Total revenues	<u>11,375</u>	<u>11,375</u>	<u>\$ 12,617</u>	<u>\$ 1,242</u>
Cash balance budgeted	8,525	8,525		
Total revenues and cash	<u>\$ 19,900</u>	<u>\$ 19,900</u>		
<b>Expenditures</b>				
Current:				
Per Diem Travel	\$ 2,800	\$ 2,800	\$ 1,742	\$ 1,058
Insurance	300	300	175	125
Training	500	500	466	34
Dues/Membership	2,500	2,500	575	1,925
Office Expense	500	500	261	239
Personnel	5,000	5,000	4,508	492
Special Projects	5,000	5,000	4,710	290
Annual meeting	300	300	-	300
Long Range planning	750	750	-	750
Legal notices	500	500	732	(232)
Postage	200	200	-	200
Information/Education	1,500	1,500	817	683
Miscellaneous	50	50	13	37
Total expenditures	<u>\$ 19,900</u>	<u>\$ 19,900</u>	<u>\$ 13,999</u>	<u>\$ 5,901</u>

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

STATE OF NEW MEXICO  
SANTA FE-POJOAQUE SOIL AND WATER CONSERVATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2005

**I. Summary of Significant Accounting Policies**

**A. Reporting Entity**

The Santa Fe-Pojoaque 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 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). The District is required to implement GASB Statement 40, *Deposit and Investment Risk Disclosures* in fiscal year 2005. 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 business-type activities.

STATE OF NEW MEXICO  
SANTA FE-POJOAQUE SOIL AND WATER CONSERVATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2005

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 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 revenues.

**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. 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.

Grant revenues 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 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.

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  
SANTA FE-POJOAQUE SOIL AND WATER CONSERVATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2005

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 and Cash Equivalents

The District's cash and cash equivalents are considered to be demand deposits and short term investments (a certificate of deposit) with an original maturity of twelve months from the date of acquisition.

State statutes authorize the District to invest in obligations of the U.S. Treasury, repurchase agreements and certificates of deposit. Investments for the District, if applicable, are reported at fair value.

2. Capital Assets

Capital assets, which include computer equipment, 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 \$1,000 and an estimated useful life of more than one year. The total amount spent for construction, if any, are capitalized and reported in the government-wide financial statements. For donations, the District 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.

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

Computer equipment      5 years

The District has no capital assets on hand as of June 30, 2005.

STATE OF NEW MEXICO  
SANTA FE-POJOAQUE SOIL AND WATER CONSERVATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2005

3. Compensated Absences  
As of June 30, 2005, the District did not have any employees.
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 two components – invested in capital assets, which is the cost of capital assets, net of accumulated depreciation and unrestricted assets. In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. The District currently has no reservation of fund balance.

## **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. Per Exhibit 5, there were no significant budget adjustments made during the fiscal year. Encumbrance accounting is not utilized by the District.

STATE OF NEW MEXICO  
SANTA FE-POJOAQUE SOIL AND WATER CONSERVATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2005

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

	General Fund	
Non-GAAP expenditures (Exhibit 5)	\$ 13,999	
Prior year accounts payable	(1,090)	
Current year accounts payable	2,336	
GAAP expenditures (Exhibit 4)	<u>\$ 15,245</u>	

**III. Detailed Notes on all Funds**

**A. Cash**

As of June 30, 2005, the District had a carrying amount of deposits of \$23,484. The bank balances of demand deposit (checking account) were \$23,580. The difference is an outstanding check of \$96. The balance of the certificate of deposit at June 30, 2004 was \$18,667. Accrued interest is deposited in the checking account when received. All amounts are on deposit at the Bank of America and are fully insured by the FDIC.

*Custodial Credit Risk* – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2005 none of the District's bank balance was exposed to custodial credit risk.

**B. Capital Assets**

Capital asset activity for the year ended June 30, 2005 was as follows:

	Balance 6/30/04	Additions	Deletions	Balance 6/30/05
<b>Governmental Activities</b>				
Assets being depreciated:				
Computer Equipment	\$ 4,896	\$ -	\$ 4,896	\$ -
Totals at historical cost	4,896	-	4,896	-
Less accumulated depreciation for:				
Computer Equipment	(4,896)	-	(4,896)	-
Total accumulated depreciation	(4,896)	-	(4,896)	-
Total Capital Assets, Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF NEW MEXICO  
SANTA FE-POJOAQUE SOIL AND WATER CONSERVATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2005

All capital assets were disposed of during the fiscal year ending June 30, 2005.

**IV. Other Information**

**A. Employee Retirement Benefits**

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

**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 \$1,000,000 for each wrongful act and \$1,000,000 for the policy aggregated. The District is required to obtain a corporate surety bond on behalf of persons responsible for District assets. The District currently maintains a \$35,000 surety bond. The District has not sustained any losses during the last several years and is not a defendant in any lawsuit.

**C. Contingent Liabilities**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the state and federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

**D. New Accounting and Financial Reporting Standard**

In June 2004, the Governmental Accounting Standards Board (GASB) issued Statement No. 40 - "Deposit and Investment Risk Disclosures" which is effective for the fiscal year ending June 30, 2005. The District has deposits that are subject to various risks. This new statement establishes and modifies disclosure requirements related to deposit and investment risk.

**E. Joint Powers Agreement – Upper Rio Grande Salt Cedar Project**

During the 2002 session, the New Mexico State Legislature appropriated \$2.5 million to the New Mexico Department of Agriculture to remove salt cedar from



STATE OF NEW MEXICO  
SANTA FE-POJOAQUE SOIL AND WATER CONSERVATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2005

the Rio Grande Basin. An additional \$600,000 was appropriated in 2003. As a result of these appropriations, a joint powers agreement was established for this project. During the fiscal year ending June 30, 2005, no funds from this joint powers agreement flowed through the District. The terms of the agreement are summarized as follows:

Date of agreement:	July 1, 2004
Participants:	New Mexico Association of Conservation Districts and the Ciudad, Coronado, East Rio Arriba, Santa Fe-Pojoaque and Valencia Soil and Water Conservation Districts
Responsible party for operations:	New Mexico Association of Conservation Districts
Description:	Upper Rio Grande Salt Cedar Project
Beginning and ending date of agreement:	July 1, 2004 to June 30, 2006
Total estimated amount:	\$633,333
Amount expended to date:	\$336,762
Audit responsibility:	New Mexico State University, New Mexico Department of Agriculture
Fiscal agent:	New Mexico Association of Conservation Districts
The government agency where revenues and expenditures are reported:	New Mexico State University



# State of New Mexico

## OFFICE OF THE STATE AUDITOR

Domingo P. Martinez, CGFM  
State Auditor

Carl M. Baldwin, CPA, CFE  
Deputy State Auditor

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*

Arsenio Trujillo, Chairperson  
and Members of the Board of Supervisors  
Santa Fe-Pojoaque Soil and Water Conservation District  
1911 5<sup>th</sup> Street, Suite 201  
Santa Fe, New Mexico 87505

We have audited the accompanying financial statements of the governmental activities, the general fund and the respective budgetary comparison of the Santa Fe-Pojoaque Soil and Water Conservation District (District) as of and for the year ended June 30, 2005 and have issued our report dated February 24, 2006. 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 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 recommendations as items 01-1 and 04-2.

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, the state legislature and grantors and is not intended to be and should not be used by anyone other than these specified parties.

*Officer of the State Auditor*

OFFICE OF THE STATE AUDITOR

February 24, 2006

STATE OF NEW MEXICO  
SANTA FE-POJOAQUE SOIL AND WATER CONSERVATION DISTRICT

SCHEDULE OF FINDINGS AND RECOMMENDATIONS  
JUNE 30, 2005

STATUS OF PRIOR YEAR FINDINGS

99-1	INACCURATE BANK RECONCILIATION	Resolved
01-1	LACK OF SUPPORTING DOCUMENTATION FOR EXPENDITURES	Repeated and Modified
03-2	MISSING CONTRACT AND IRS FORM 1099	Resolved
03-3	MISSING BUDGET APPROVAL FROM DFA	Resolved
04-1	INCOMPLETE RECORDING OF CASH RECEIPTS	Resolved
04-2	MISSING BOARD MINUTES	Repeated

CURRENT YEAR FINDINGS

- 01-1 LACK OF SUPPORTING DOCUMENTATION FOR EXPENDITURES
- 04-2 MISSING BOARD MINUTES

**01-1. LACK OF SUPPORTING DOCUMENTATION FOR EXPENDITURES  
(REPEATED AND MODIFIED)**

Condition

We tested thirty six purchase transactions. Two did not have an invoice or other supporting documentation for \$198 to Judith Keane and \$630 to Laurel Sherr. There were also two purchase transactions which did not have the written approval of a Board Member.

Criteria

Good accounting practices and the Local Government Finances Statutes require that proper supporting documentation be kept on all purchases. Section 6-6-3 NMSA 1978 requires a complete record of the transactions of the entity.

STATE OF NEW MEXICO  
SANTA FE-POJOAQUE SOIL AND WATER CONSERVATION DISTRICT

SCHEDULE OF FINDINGS AND RECOMMENDATIONS  
JUNE 30, 2005

Effect

Not having the supporting documentation may result in payments being made for goods or services that weren't received.

Cause

The District failed to obtain and retain documents sufficient to support expenditures and failed to review expenditures for proper amounts owing.

Recommendation

We recommend that all Purchase Documents are approved, have attached invoices and/or other appropriate supporting documentation. The District should also certify that the goods or services were received before payment is made.

District's Response

All purchase documents will be approved and have attached invoices and/or other appropriate supporting documentation. The District will also certify that the goods or services were received before payment is made.

**04-02. MISSING BOARD MINUTES (REPEATED)**

Condition

The District did not maintain board minutes for August 2004 pursuant to the Open Meeting Act.

Criteria

Section 10-15-1.G NMSA 1978 requires the District to keep written minutes of all its meetings. Draft minutes should be prepared within 10 working days after the meeting and shall be approved, amended or disapproved at the next meeting.

Effect

The District is not in compliance with statutory requirements.

Cause

STATE OF NEW MEXICO  
SANTA FE-POJOAQUE SOIL AND WATER CONSERVATION DISTRICT

SCHEDULE OF FINDINGS AND RECOMMENDATIONS  
JUNE 30, 2005

According to the District, documentation was not kept in a central location or by one individual which caused various items to be lost.

Recommendation

We recommend the District maintain all board minutes in a central location by one individual.

District's Response

The District Clerk will keep all board minutes in the Santa Fe office.

STATE OF NEW MEXICO  
SANTA FE-POJOAQUE SOIL AND WATER CONSERVATION DISTRICT

EXIT CONFERENCE  
JUNE 30, 2005

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 February 24, 2006, an exit conference was held at the District Office with Clara DuBois, Administrative Assistant and Jose Carlos Ortiz, Treasurer of the Santa Fe-Pojoaque Soil and Water Conservation District. Representing the Office of the State Auditor was Jessica Lucero, Senior Auditor.