



MACKIE, REID &  
COMPANY, P.A.

*Certified Public Accountants*

## REPORT OF INDEPENDENT AUDITOR

To the Board of Directors of  
New Mexico Land Conservancy

We have audited the accompanying statements of financial position of New Mexico Land Conservancy (a nonprofit corporation) as of June 30, 2011 and 2010, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the New Mexico Land Conservancy's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New Mexico Land Conservancy as of June 30, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Mackie, Reid & Company*

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Certified Public Accountants

Albuquerque, New Mexico  
November 28, 2011

NEW MEXICO LAND CONSERVANCY  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Current assets		
Cash, partially pledged	\$ 222,069	\$ 142,317
Promises to give	196,250	95,000
Prepaid expenses	<u>3,497</u>	<u>10,118</u>
Total current assets	421,816	247,435
Promises to give, long term portion	4,850	9,615
Designated for stewardship fund		
Cash, partially pledged	386,803	288,704
Certificates of deposit	-	86,338
Land, building and equipment, partially pledged, net of accumulated depreciation of \$67,053 and \$39,318 in 2011 and 2010	656,744	648,130
Other assets		
Cash held revolving loan program	10,077	-
Petchesky land subject to conservation easement, pledged	374,000	374,000
Other fee land	360,000	-
Deferred loan costs, net of accumulated amortization of \$733 and \$21 in 2011 and 2010	<u>6,396</u>	<u>7,108</u>
Total assets	\$ <u>2,220,686</u>	\$ <u>1,661,330</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts payable	\$ 3,243	\$ 5,129
Accrued expenses	13,152	12,711
Current maturities of mortgage payable	<u>5,057</u>	<u>4,819</u>
Total current liabilities	21,452	22,659
Mortgage payable, less current maturities	<u>225,573</u>	<u>230,626</u>
Total liabilities	247,025	253,285
Net assets		
Unrestricted-		
Available for operations	219,248	134,595
Board designated stewardship fund	386,803	375,042
Invested in land, buildings and equipment net of mortgage payable	1,166,510	793,793
Temporarily restricted	<u>201,100</u>	<u>104,615</u>
Total net assets	<u>1,973,661</u>	<u>1,408,045</u>
Total liabilities and net assets	\$ <u>2,220,686</u>	\$ <u>1,661,330</u>

See accompanying notes to financial statements.

NEW MEXICO LAND CONSERVANCY  
STATEMENTS OF ACTIVITIES  
YEARS ENDED JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Change in unrestricted net assets		
Revenues, gains and other support		
Contributions-		
Landowners	\$ 343,250	\$ 259,730
General support	214,513	36,700
Land and in kind services	360,000	3,160
Foundation grants	71,212	44,500
Interest income	2,316	4,928
Other	<u>143</u>	<u>1,334</u>
Total unrestricted revenues, gains and other support	991,434	350,352
Net assets released from restrictions:		
Satisfaction of program and time restrictions	<u>50,000</u>	<u>294,273</u>
Total revenues, gains and other support	1,041,434	644,625
Expenses		
Program services	440,406	441,520
Management and general	83,938	72,910
Fundraising	47,959	32,806
Conservation easement acquisition expenditures	<u>-</u>	<u>192,773</u>
Total expenses	<u>572,303</u>	<u>740,009</u>
Increase (decrease) in unrestricted net assets	<u>469,131</u>	( <u>95,384</u> )
Change in temporarily restricted net assets		
Landowner contributions	114,485	104,615
Foundation grants	32,000	-
Conservation easement acquisition agreements	-	192,773
Net assets released from restrictions		
Conservation easement acquisition agreements	-	( 192,773)
Satisfaction of time restrictions	( 50,000)	( 96,500)
Expenses satisfying program restrictions	<u>-</u>	( <u>5,000</u> )
Increase in temporarily restricted net assets	<u>96,485</u>	<u>3,115</u>
Increase (decrease) in net assets	565,616	( 92,269)
Net assets, beginning of year	<u>1,408,045</u>	<u>1,500,314</u>
Net assets, end of year	\$ <u>1,973,661</u>	\$ <u>1,408,045</u>

See accompanying notes to financial statements.

NEW MEXICO LAND CONSERVANCY  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2011  
(WITH COMPARATIVE PRIOR YEAR TOTALS)

	Program Services	Management and General	Fundraising	2011 Total	2010 Total
Salaries and wages	\$ 156,757	\$ 46,860	\$ 21,116	\$ 224,733	\$ 201,459
Payroll taxes	11,919	3,561	1,598	17,078	15,900
Health benefits	9,224	1,824	1,200	12,248	10,427
Retirement benefits	<u>2,762</u>	<u>591</u>	<u>397</u>	<u>3,750</u>	<u>3,276</u>
Total salaries and related expenses	180,662	52,836	24,311	257,809	231,062
Project related professional services	131,382	-	-	131,382	126,230
Operational professional services	7,820	18,246	-	26,066	27,326
Printing and copying	16,952	456	6,881	24,289	13,832
Facility costs	14,620	1,827	1,827	18,274	21,941
Insurance	8,570	5,026	-	13,596	10,827
Interest	10,407	1,301	1,301	13,009	12,184
Travel	11,155	-	-	11,155	6,727
Fundraising event	-	-	10,096	10,096	-
Communications	7,593	1,026	668	9,287	9,276
Meals and entertainment	5,799	279	598	6,676	2,570
Supplies	5,212	13	12	5,237	5,806
Postage and delivery	4,328	68	-	4,396	5,910
Business dues and fees	2,326	179	213	2,718	3,826
Conferences	2,275	-	-	2,275	2,789
Project costs	2,244	-	-	2,244	26,022
Vehicle maintenance	2,143	31	-	2,174	1,146
Other	1,322	372	-	1,694	1,282
Recruiting	641	226	-	867	370
Computer expense	612	-	-	612	5,650
Professional development	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,746</u>
Total expenses before depreciation	416,063	81,886	45,907	543,856	523,522
Depreciation and amortization	<u>24,343</u>	<u>2,052</u>	<u>2,052</u>	<u>28,447</u>	<u>23,714</u>
Total expenses	\$ <u>440,406</u>	\$ <u>83,938</u>	\$ <u>47,959</u>	\$ <u>572,303</u>	\$ <u>547,236</u>

See accompanying notes to financial statements.



NEW MEXICO LAND CONSERVANCY  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2010

	Program Services	Management and General	Fundraising	Total
Salaries and wages	\$ 140,188	\$ 40,207	\$ 21,064	\$ 201,459
Payroll taxes	11,081	3,119	1,700	15,900
Health benefits	7,612	1,541	1,274	10,427
Retirement benefits	<u>2,438</u>	<u>636</u>	<u>202</u>	<u>3,276</u>
Total salaries and related expenses	161,319	45,503	24,240	231,062
Project related professional services	126,183	47	-	126,230
Operational professional services	9,722	17,604	-	27,326
Project costs	26,022	-	-	26,022
Facility costs	17,553	2,194	2,194	21,941
Printing and copying	12,485	-	1,347	13,832
Interest	9,748	1,218	1,218	12,184
Insurance	9,971	428	428	10,827
Communications	8,586	690	-	9,276
Professional development	8,181	565	-	8,746
Travel	6,680	47	-	6,727
Postage and delivery	4,975	55	880	5,910
Supplies	5,186	565	55	5,806
Computer and copier expense	4,437	894	319	5,650
Business dues and fees	2,926	900	-	3,826
Conferences	2,789	-	-	2,789
Meals and entertainment	2,467	26	77	2,570
Vehicle maintenance	1,146	-	-	1,146
Other	976	31	275	1,282
Recruiting	<u>-</u>	<u>370</u>	<u>-</u>	<u>370</u>
Total expenses before depreciation	421,352	71,137	31,033	523,522
Depreciation and amortization	<u>20,168</u>	<u>1,773</u>	<u>1,773</u>	<u>23,714</u>
Total expenses	\$ <u>441,520</u>	\$ <u>72,910</u>	\$ <u>32,806</u>	\$ <u>547,236</u>

See accompanying notes to financial statements.

NEW MEXICO LAND CONSERVANCY  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities		
Increase (decrease) in net assets	\$ 565,616	\$ ( 92,269)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Land contribution	( 360,000)	-
Depreciation	28,447	23,714
Other	-	123
Decrease (increase) in:		
Promises to give	( 96,485)	( 8,115)
Prepaid expenses	6,621	( 6,599)
Increase (decrease) in:		
Accounts payable	( 1,886)	3,037
Accrued expenses	<u>441</u>	<u>2,588</u>
Net cash provided (used) by operating activities	<u>142,754</u>	<u>( 77,521)</u>
Cash flows from investing activities		
Purchases of property and equipment	( 36,349)	( 67,111)
Maturities of certificates of deposit	86,338	113,791
Purchases of certificates of deposit	<u>-</u>	<u>( 114,708)</u>
Net cash provided (used) by investing activities	<u>49,989</u>	<u>( 68,028)</u>
Cash flows from financing activities		
Principal payments mortgage payable	( 4,815)	( 4,170)
Increase (decrease) in cash	187,928	( 149,719)
Cash, beginning of year	<u>431,021</u>	<u>580,740</u>
Cash, end of year	\$ <u>618,949</u>	\$ <u>431,021</u>
Supplemental disclosure of cash flow information		
Interest paid	\$ <u>13,009</u>	\$ <u>12,169</u>
Noncash investing and financing		
Land contribution	\$ <u>360,000</u>	

See accompanying notes to financial statements.