

ROSEDALE MUTUAL DOMESTIC WATER
CONSUMERS ASSOCIATION
AGREED-UPON PROCEDURES
DECEMBER 31, 2017

ROSEDALE MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION

**TABLE OF CONTENTS
DECEMBER 31, 2017**

Table of Contents.....	1
Official Roster.....	2
Independent Accountant's Report on Applying Agreed-Upon Procedures.....	3
Exhibit A-Scope of Work and Related Results.....	4-8
Exhibit B - Statement of Revenues and Expenditures - Budget and Actual- Budgetary Basis - General Operating Fund.....	9
Exhibit C - Statement of Budget vs. Actual (approved by DFA) (submitted online).....	10
Exhibit D - Copy of Year-End Financial Report Submitted to Board.....	11-12
Schedule of Findings and Responses.....	13
Schedule of Summary of Prior Findings and Responses.....	14
Exit Conference	15

ROSEDALE MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION

**OFFICIAL ROSTER
DECEMBER 31, 2017**

JOHN BEVER, PRESIDENT

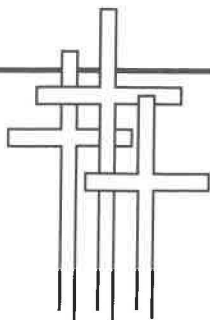
JIM BROWN, VICE-PRESIDENT

ALFREDO CORREA, SECRETARY

CLARA BUSTILLOS, DIRECTOR

Association Official

Tom Fleming, Manager



Clifford, Ross & Cooper, CPAs, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Timothy P. Clifford, CPA
Rodney I. Ross, CPA
Denise S. Cooper, CPA, CFE

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors and New Mexico State Auditor
Wayne Johnson
Rosedale Mutual Domestic Water Consumers Association
Silver City, New Mexico

We have performed the procedures shown in Exhibit A, attached to this report. The procedures were agreed to by Rosedale Mutual Domestic Water Consumers Association through the Office of the State Auditor, solely to assist you with respect to the compliance of the Tier 4 of the Audit Act – Section 12-6-3 B (4) NMSA 1978 and Section 2.2.2.16 NMAC of Rosedale Mutual Domestic Water Consumers Association as of December 31, 2017. Rosedale Mutual Domestic Water Consumers Association's management is responsible for the company's accounting records. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings can be found on Exhibit A, attached to this report.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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 on the accounting records. Accordingly, we do not express such an opinion or conclusion. 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 Rosedale Mutual Domestic Water Consumers Association, the Department of Finance and Administration-Local Government Division, the NM State Legislature and New Mexico Office of the State Auditor and is not intended to be and should not be used by anyone other than those specified parties.

Clifford, Ross & Cooper, CPAs, LLC
Las Cruces, New Mexico
April 27, 2018

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ROSEDALE MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION
EXHIBIT A- SCOPE OF WORK
AGREED UPON PROCEDURES

Tier 4 of the Audit Act - Section 12-6-3 B (4) NMSA 1978 and Section 2.2.2.16 NMAC

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

Finding: No discrepancies noted.

2) **CASH**

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.

Procedure:

Obtained copies of all bank reconciliations and bank statements for the year.

Verified that the banks were reconciled each month, reviewed the bank reconciliations.

Finding:

We determined that bank reconciliations are performed in a timely manner and that all bank statements for the fiscal year are complete and on hand. The following are the Association's bank accounts and related reconciled cash balance at December 31, 2017: First New Mexico Bank of Silver City - Operating - \$9,404.48 and First New Mexico Bank of Silver City - Savings - \$167,765.73. All bank reconciliations are performed on a timely basis and all were complete and on-hand.

b) Test at least 30% of the bank reconciliations for accuracy. Also trace ending balances to the general ledger, supporting documentation, and the financial reports submitted to DFA-Local Government Division

Procedure:

Six months of bank reconciliations were recomputed to determine accuracy. The monthly bookkeeping is done by Morones & Knuttinen, LLC. Books are kept on Ledger sheets and reconciliation manually.

We compared the cash balances per bank reconciliations to the respective general ledger account balances

Monthly financial statements are presented to the Board of Directors by Morones & Knuttinen, LLC

for approval. Noted the outside CPA firm provides monthly financials to DFA upon request.

Noted year end financials provided to DFA.

Finding:

All bank reconciliations tested revealed no exceptions.

c) Determine whether the local public body's financial institutions have provided it with 50% pledged collateral on all uninsured deposits as required by Section 6-10-7 NMSA 1978, NM Public Money Act, if applicable

Procedure:

The bank statements for the entire fiscal year ending December 31, 2017 were reviewed for balances.

Finding:

Bank account balances did not exceed the insured limits during the year ended December 31, 2017 and, therefore, pledged collateral was not required for any bank account.

3) **CAPITAL ASSETS**

Verify that the local public body is performing a yearly inventory as required by Section 12-6-10 NMSA 1978.

Procedure:

Reviewed depreciation listing for assets prepared by Morones & Knuttinen, LLC.

Noted additions to assets each year. Noted inventory was performed and certified by Board Member.

Finding:

Yearly inventory was performed and certified. No discrepancies noted.

4) **REVENUE**

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.

ROSEDALE MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION

EXHIBIT A- SCOPE OF WORK

AGREED UPON PROCEDURES

Tier 4 of the Audit Act - Section 12-6-3 B (4) NMSA 1978 and Section 2.2.2.16 NMAC

4) REVENUE (continued)

Select a sample of revenue equal to at least 30% of the total dollar amount and test the following attributes:

- b)** Amount recorded in the general ledger agrees to the supporting documentation and the bank statement.
- c)** Proper recording of classification, amount, and period per review of supporting documentation and the general ledger. Perform this revenue work on the same accounting basis that the local public body keeps its accounting records on, cash basis, modified accrual basis, or accrual basis.

Results of Procedures:

- a)** Analytical review and test of actual revenue compared to budgeted revenue for the year for each type of revenue showed an under budget of total revenues at the end of the year as a result of less water usage and an overbudget for interest income.

	Budgeted Amount	Actual Amount	Variance	Percentage
Water Sales	\$171,672	\$137,267	\$(34,405)	-20%
Interest income	\$ 250	\$ 386	\$ 136	54%

The following items were selected for procedures 3(b)-3(c):

Receipts Date	Payer	Description	Amount
1/5/2017	Client fees	Revenue-Water	\$ 2,236.11
1/10/2017	Client fees	Revenue-Water	\$ 2,572.63
1/13/2017	Client fees	Revenue-Water	\$ 1,637.41
1/19/2017	Client fees	Revenue-Water	\$ 1,084.06
1/27/2017	Client fees	Revenue-Water	\$ 1,861.76
1/31/2017	Client fees	Revenue-Water	\$ 2,227.94
3/6/2017	Client fees	Revenue-Water	\$ 3,642.73
3/10/2017	Client fees	Revenue-Water	\$ 1,584.74
3/15/2017	Client fees	Revenue-Water	\$ 1,989.19
3/24/2017	Client fees	Revenue-Water	\$ 1,966.15
3/28/2017	Client fees	Revenue-Water	\$ 1,782.38
3/31/2017	Client fees	Revenue-Water	\$ 1,175.61
5/4/2017	Client fees	Revenue-Water	\$ 2,474.05
5/9/2017	Client fees	Revenue-Water	\$ 2,012.81
5/15/2017	Client fees	Revenue-Water	\$ 1,447.04
5/26/2017	Client fees	Revenue-Water	\$ 2,328.39
5/31/2017	Client fees	Revenue-Water	\$ 1,729.49
7/6/2017	Client fees	Revenue-Water	\$ 2,495.31
7/11/2017	Client fees	Revenue-Water	\$ 4,457.77
7/24/2017	Client fees	Revenue-Water	\$ 2,056.82
7/28/2017	Client fees	Revenue-Water	\$ 2,139.88
9/6/2017	Client fees	Revenue-Water	\$ 2,167.16
9/13/2017	Client fees	Revenue-Water	\$ 3,675.44
9/20/2017	Client fees	Revenue-Water	\$ 1,692.72
9/28/2017	Client fees	Revenue-Water	\$ 2,429.38
11/3/2017	Client fees	Revenue-Water	\$ 2,634.80
11/13/2017	Client fees	Revenue-Water	\$ 2,646.19
11/22/2017	Client fees	Revenue-Water	\$ 1,908.70
11/28/2017	Client fees	Revenue-Water	\$ 2,606.31
11/30/2017	Client fees	Revenue-Water	\$ 3,298.06

ROSEDALE MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION

EXHIBIT A- SCOPE OF WORK

AGREED UPON PROCEDURES

Tier 4 of the Audit Act - Section 12-6-3 B (4) NMSA 1978 and Section 2.2.2.16 NMAC

4) REVENUE (continued)

Finding:

- b) Amounts recorded in the general ledger agreed with supporting documentation and the bank statements.
- c) Amounts were properly recorded on a cash basis as to classification, amount and period per review of supporting documentation.

5) EXPENDITURES

Select a sample of cash disbursements equal to at least 30% of the total dollar amount and test the following attributes:

- a) Determine that amount recorded as disbursed agrees to adequate supporting documentation. Verify that amount, payee, date and description agree to the vendor's invoice, purchase order, contract and cancelled check, as appropriate.
- b) Determine that disbursements were properly authorized and approved in compliance with the budget, legal requirements and established policies and procedures.
- c) Determine that the bid process (or request for proposal process if applicable), purchase orders, contracts and agreements were processed in accordance with the New Mexico Procurement Code (Section 13-1-28 through 13-1-199 NMSA 1978) and State Purchasing Regulations (1.4.1 NMAC) and Regulations Governing the Per Diem and Mileage Act (2.42.2 NMAC).

Note: The sample must be representative of the population.

The following cash disbursements were selected and the procedures described in 4(a) - 4(c) above were performed:

Check Date	Check Number	Payee	Description	Check Amount
1/1/2017	3036	TWN	Phone & internet 1/2	\$ 50.70
1/15/2017	3038	Town of Silver City	Water	\$ 3,993.97
1/15/2017	3043	American Business Software	UB Maintenance	\$ 309.50
1/15/2017	3046	Postmaster	stamps	\$ 196.00
2/1/2017	3049	Tom Fleming	Payroll	\$ 1,598.76
2/1/2017	3053	Silver City Daily Press	Ad	\$ 8.16
2/17/2017	3056	NM Tax & Revenue	GRT Jan	\$ 745.19
2/17/2017	3057	Morones & Knuttinen	Accounting	\$ 235.00
2/17/2017	3060	RWA	transfer to savings	\$ 2,000.00
3/1/2017	3062	Jamie McIntyre	Payroll	\$ 458.75
3/15/2017	3066	Town of Silver City	Water	\$ 4,293.75
3/15/2017	3069	New Mexico 811	Dues	\$ 136.76
4/1/2017	3075	Staples	supplies	\$ 80.40
4/18/2017	3078	Dept of the Treasury	1st Qtr taxes	\$ 1,718.94
4/18/2017	3079	NM Taxation & Revenue	GRt Mar	\$ 766.36
4/18/2017	3081	American Business Software	Statements	\$ 277.55
4/18/2017	3083	Postmaster	Annual box rental	\$ 126.00
4/20/2017	3089	Walter Mitchell	Water repairs	\$ 40.00
5/9/2017	e check	NM Sec of State	Annual Corp Report	\$ 10.00
5/16/2017	3097	Barncastle Law Firm	Legal Council	\$ 81.23
5/16/2017	3100	Carquest Auto Parts	Backhoe parts	\$ 129.10
5/16/2017	3103	Charles Byrd	Water repairs	\$ 20.00
6/15/2017	3111	Town of Silver City	water	\$ 4,902.11
6/15/2017	3112	Clifford, Ross & Cooper	Accounting	\$ 4,332.50
6/15/2007	3116	Mountain Ridge Ace	parts	\$ 4.31
6/22/2017	119	Holiday Inn Express	Annual Meeting room rental	\$ 108.00
6/22/2017	3120	Jamie McIntyre	Snacks/Annual mtg.	\$ 35.94
7/1/2017	3124	Liberty Mutual Insurance	Workman's comp	\$ 446.50
7/1/2017	3125	Philadelphia Insurance	Liability Ins	\$ 689.00
7/17/2017	3130	Philadelphia Insurance	Liability Ins	\$ 1,378.00
7/17/2017	3133	Dept of Workforce Sol	SUTA 2nd Qtr	\$ 24.65

ROSEDALE MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION

EXHIBIT A- SCOPE OF WORK

AGREED UPON PROCEDURES

Tier 4 of the Audit Act - Section 12-6-3 B (4) NMSA 1978 and Section 2.2.2.16 NMAC

5) EXPENDITURES (continued)						
	7/17/2017	3134	Barncastle Law Firm	Legal Council		\$ 794.85
	8/1/2017	3142	Fowler Brothers	Load gravel		\$ 159.97
	8/1/2017	3144	Philadelphia Insurance	D&O Ins		\$ 1,345.00
	8/16/2017	3148	Town of Silver City	water		\$ 6,511.32
	8/16/2017	3149	NM Taxation & Revenue	GRT Jul		\$ 727.67
	9/1/2017	3158	Staples	Power pack battery		\$ 35.63
	9/13/2017	3164	Morones & Knuttinen	Accounting		\$ 235.00
	9/13/2017	3166	New Mexico One Call	Dues		\$ 63.88
	9/22/2017	3169	Gary Morgan	Water repairs		\$ 125.00
	10/1/2017	3175	Tom Fleming	Payroll		\$ 1,598.76
	10/1/2017	3174	Jamie McIntyre	replenish petty cash		\$ 64.75
	10/15/2017	3178	Town of Silver City	water		\$ 5,248.81
	10/15/2017	3179	Dept of the Treasury	payroll taxes		\$ 1,718.94
	10/15/2017	3183	Barncastle Law Firm	Legal Council		\$ 446.94
	11/1/2017	3186	Jamie McIntyre	payroll		\$ 458.75
	11/1/2017	3188	TWN Corp	Phone & internet 1/2		\$ 54.20
	11/15/2017	3192	NM Taxation & Revenue	GRT Oct		\$ 819.44
	11/15/2017	3194	Barncastle Law Firm	Legal Council		\$ 430.54
	11/15/2017	3195	Silver City Daily Press	Ad		\$ 8.85
	12/1/2017	3202	American Business Software	billing statements		\$ 149.95
	12/1/2017	3205	Walter Mitchell	repairs		\$ 110.00
	12/1/2017	3206	Charles Joslin	repairs		\$ 110.00
	12/15/2017	3212	Core & Main	meters		\$ 1,040.78
	12/15/2017	3213	Charles Joslin	repairs		\$ 40.00

Results of Procedures 4(a) - 4(c):

- a) Tested 55 out of 182 total population of cash disbursements from the operating account. The amounts recorded as disbursed agreed to supporting documentation: amount paid, payee, date and description agreed with the vendor's invoice, purchase invoice, purchase order, contract and cancelled check, as appropriate.
- b) Traced authorization to established policies and procedures and was approved and authorized in compliance with the budget, legal requirements.
- c) 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 13-1-99 NMSA 1978) and State Purchasing Regulations (1.4.1 NMAC) and Regulations governing the Per Diem and Mileage Act (2.42.2 NMAC). None noted.

Finding:
No discrepancies were noted.

6) JOURNAL ENTRIES

Test all non-routine journal entries, adjustments, and reclassifications posted to the general ledger for the following attributes:

- a) Journal entries appear reasonable and have supporting documentation.
- b) The local public body has procedures that require journal entries to be reviewed and there is evidence the reviews are being performed

Finding:
The financial records of Rosedale Mutual Domestic Water Consumers Association indicated that no journal entries were posted to the general ledger: therefore, we did not perform any test in this area.

**ROSEDALE MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION
EXHIBIT A- SCOPE OF WORK
AGREED UPON PROCEDURES**

Tier 4 of the Audit Act - Section 12-6-3 B (4) NMSA 1978 and Section 2.2.2.16 NMAC

7)

BUDGET

Obtain the original fiscal year budget and all budget adjustments made throughout the fiscal year and perform the following:

- a) Verify, through a review of the minutes and correspondence, that the original budget and subsequent budget adjustments were approved by the local public body's governing body and DFA-LGD.
- b) Determine if the total actual expenditures exceeded the final budget at the legal level of budgetary control; if the answer is yes, report a compliance finding.
- c) From the original and final approved budgets and general ledger, prepare a schedule of revenues and expenditures - budget and actual on the budgetary basis used by the local public body (cash, accrual or modified accrual basis) for each individual fund.

Results of Procedures 4(a) - 4(c):

- a) Obtained copy of overall budget for the local public body.
Obtained Minutes of the Board and reviewed for approval of budget and budget adjustments.
Noted the overall budget was approved by the Board.
- b) Total actual expenditures did not exceed the final budget approved for the Association
Budget was sent to DFA, noted approval letter from DFA
- c) A schedule of revenues and expenditures - budget and actual on the budgetary basis used by Rosedale Mutual Domestic Water Consumers Association for the general operating fund was prepared. (See page 10).

Finding:

No discrepancies noted. Verified that Exhibit D which was approved by the board, Resolution 2018-1, was used in submitting the final report to DFA.

OTHER

If information comes to the Contractor'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 findings must include the required content per Section 2.2.2.10(I)(3)(C) NMAC.

Finding:

No indication of any fraud, illegal acts, noncompliance, or any internal control deficiencies were noted during the agreed-upon procedures test work.

**STATE OF NEW MEXICO
ROSEDALE MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION
EXHIBIT B
GENERAL OPERATING FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN NET FUND ASSETS
BUDGETARY BASIS AND ACTUAL
For the Year Ended December 31, 2017**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget Positive/(Negative)
OPERATING REVENUES				
Water sales, net of refunds	\$ 166,572	\$ 166,572	\$ 132,343	\$ (34,229)
Connection/Reconnection Charges	5,100	5,100	4,922	(178)
Total revenues	<u>171,672</u>	<u>171,672</u>	<u>137,265</u>	<u>(34,407)</u>
EXPENDITURES				
Salaries and Wages	31,000	31,000	29,880	1,120
Other Utilities - Gas, Water, Sewer, Telephone	1,000	1,000	614	386
System Parts and Supplies	4,000	4,000	1,219	2,781
System Repairs and Maintenance	4,000	4,000	1,480	2,520
Vehicle Expense	3,000	3,000	1,005	1,995
Office and Administrative Expenses	3,000	3,000	1,947	1,053
Professional Services - Accounting, Engineering & Legal	80,500	80,500	63,419	17,081
Insurance	9,000	9,000	6,004	2,996
Dues, Fees, Permits and Licenses	1,500	1,500	265	1,235
Taxes - Gross Receipts Tax, Water Conservation Fee	25,000	25,000	10,436	14,564
Training	1,500	1,500	41	1,459
Miscellaneous	500	500	203	297
Total expenditures	<u>164,000</u>	<u>164,000</u>	<u>116,513</u>	<u>47,487</u>
Excess (deficiency) of revenues over expenditures	<u>7,672</u>	<u>7,672</u>	<u>20,752</u>	<u>13,080</u>
NONOPERATING REVENUES AND EXPENDITURES				
Capital grant expenditures	-	-	-	-
Interest income	250	250	386	136
Total nonoperating revenues & expenditures	<u>250</u>	<u>250</u>	<u>386</u>	<u>136</u>
Change in fund net assets	<u>\$ 7,922</u>	<u>\$ 7,922</u>	<u>\$ 21,138</u>	<u>\$ 13,216</u>

4th Quarter (Jan 1 - Dec 31st)

	<u>Approved Budget</u>	<u>Jan 1 - Dec 31st</u>	<u>Amount Over/Under</u>	<u>% of Budget</u>
<u>Beginning Cash Balance on Jan 1st</u>	\$156,454			
Revenue				
Water Sales (Water Use Fees)	\$48,000	\$41,447	-\$6,553	86.35%
Connection/Reconnection Charges (Utility Connection/Reconnection Fees)	\$5,100	\$0	-\$5,100	0.00%
Membership and Meter Sales (Utility Service Fees)	\$93,572	\$82,746	-\$10,826	88.43%
Late Fees and Penalties (Other Fines and Forfeits)	\$0	\$4,922	\$4,922	-
Gross Receipts Tax (Other State shared taxes)	\$25,000	\$8,150	-\$16,850	32.60%
Other Operating Revenue (miscellaneous - other)	\$250	\$386	\$136	154.55%
Total Revenue	\$171,922	\$137,653	-\$34,269	80.07%
Expenditures				
Operating Expenditures				
		\$0	\$0	-
Salaries - Operator, Bookkeeper, etc.	\$31,000	\$29,880	-\$1,120	96.39%
Employee Benefits and Expenses	\$0	\$0	\$0	-
Electricity	\$0	\$0	\$0	-
Other Utilities - Gas, Water, Sewer, Telephone	\$1,000	\$614	-\$386	61.40%
System Parts and Supplies	\$4,000	\$1,219	-\$2,781	30.47%
System Repairs and Maintenance	\$4,000	\$1,480	-\$2,520	37.00%
Vehicle Expenses	\$3,000	\$831	-\$2,169	27.69%
Office and Administrative Expenses	\$3,000	\$2,125	-\$875	70.84%
Professional Services - Accounting, Engineering, Legal	\$80,500	\$63,419	-\$17,081	78.78%
Insurance	\$9,000	\$6,004	-\$2,996	66.71%
Dues, Fees, Permits and Licenses	\$1,500	\$265	-\$1,235	17.66%
Taxes - Gross Receipts Tax, Water Conservation Fee	\$25,000	\$10,759	-\$14,241	43.03%
Training	\$1,500	\$42	-\$1,459	2.77%
Miscellaneous	\$500	\$200	-\$300	39.90%
Loans				
Annual debt service - Loan 1	\$0	\$0	\$0	-
Annual debt service - Loan 2	\$0	\$0	\$0	-
Total Expenditures	\$164,000	\$116,837	-\$47,163	71.24%
LESS: Operating Reserve	\$0	\$0	\$0	-
Emergency Reserve	\$0	\$0	\$0	-
Capital Improvement Reserve	\$0	\$0	\$0	-
Debt Reserve	\$0	\$0	\$0	-
<u>Estimated Ending Cash Balance on Dec 31st</u>		\$177,270		

EXHIBIT C

EXHIBIT D
 Rosedale Mutual Water Consumer
 Statement of Assets, Liabilities, & Net Assets
 Income Tax Basis
 December 31, 2017

ASSETS

Current Assets	
Cash on Hand	\$ 100.00
Checking First NM Bank	9,404.48
Savings First NM Bank	167,765.73
	177,270.21
Total Current Assets	
Fixed Assets	
Equipment Prior Years	607,051.39
Accum. Depreciation	(533,098.28)
	73,953.11
Total Fixed Assets	
Other Assets	
	0.00
Total Other Assets	
Total Assets	\$ 251,223.32

LIABILITIES AND NET ASSETS

Current Liabilities	
Payroll Taxes Payable	\$ 1,694.99
Sales Tax Payable	505.43
	2,200.42
Total Current Liabilities	
Long-Term Liabilities	
	0.00
Total Long-Term Liabilities	
Total Liabilities	2,200.42
Net Assets	
Net Assets, Beginning	240,803.60
Changes in Net Assets	8,219.30
	249,022.90
Total Net Assets	
Total Liabilities & Net Assets	\$ 251,223.32

EXHIBIT D

Rosedale Mutual Water Consumer
 Statements of Changes in Net Assets - Income Tax Basis
 For the One Month and the Twelve Months Ended December 31, 2017

	Current Month	Year to Date
Revenues		
Water sales	\$ 2,393.68	\$ 41,447.15
Maintenance Fees	5,307.99	82,746.31
Sales Tax	505.42	8,150.21
Service Charges/Credits	195.01	4,922.48
Interest Income-1st NM Bank	108.31	386.38
	8,510.41	137,652.53
Cost of Goods Sold		
Purchases - Water	4,640.45	53,565.99
	4,640.45	53,565.99
Total Cost of Goods Sold	4,640.45	53,565.99
Gross Profit	3,869.96	84,086.54
Expenses		
Advertising	0.00	34.70
Bank Service Charges	0.00	0.31
Bad Debt	0.00	15.08
Depreciation Expense	1,076.55	12,919.15
Dues & Publications	0.00	264.52
Insurance Liability	0.00	4,101.00
Insurance Workers Comp	0.00	1,903.00
Accounting Fees	235.00	3,615.00
Audit Expense	0.00	4,332.50
Legal	32.49	1,905.96
Office Expense	324.11	1,946.48
Meeting Expense	0.00	143.94
Repairs & Maintenance Expense	420.00	1,479.98
Sales Tax Expense	505.42	8,150.21
Backhoe Expense	0.00	174.43
Fuel Expense	70.00	830.81
Training Expense	0.00	41.50
Supplies/(Parts & Materials)	1,040.78	1,218.80
Payroll Tax Expense	190.49	2,285.88
Utilities & Telephone	51.16	613.99
Wages Expense	2,490.00	29,880.00
Miscellaneous	0.00	10.00
	6,436.00	75,867.24
Total Expenses	6,436.00	75,867.24
Changes in Net Assets	\$ (2,566.04)	\$ 8,219.30

ROSEDALE MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION

**SCHEDULE OF SUMMARY OF FINDINGS AND RESPONSES
DECEMBER 31, 2017**

CURRENT YEAR FINDINGS:

None

ROSEDALE MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION

**SCHEDULE OF SUMMARY OF PRIOR-YEAR FINDINGS
DECEMBER 31, 2017**

PRIOR-YEAR FINDINGS:

None

ROSEDALE MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION

**EXIT CONFERENCE
DECEMBER 31, 2017**

Exit Conference:

The exit conferences were held on April 27, 2018 with the following persons:

Tom Fleming, Water system manager

John Bever, President

Denise S. Cooper, Partner, Clifford, Ross & Cooper, CPAs, LLC

These agreed-upon procedures were prepared by Clifford, Ross & Cooper, CPAs, LLC from the books and records of Rosedale Mutual Domestic Water Consumers Association with the assistance of management.