

**STATE OF NEW MEXICO  
ROOSEVELT SOIL AND WATER CONSERVATION DISTRICT**

**Independent Accountants' Report on  
Applying Agreed-Upon Procedures**

**For the Year Ended  
June 30, 2018**



**STATE OF NEW MEXICO**  
**ROOSEVELT SOIL AND WATER CONSERVATION DISTRICT**  
JUNE 30, 2018  
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**STATE OF NEW MEXICO**  
**ROOSEVELT SOIL AND WATER CONSERVATION DISTRICT**  
OFFICIAL ROSTER  
JUNE 30, 2018

**Board of Supervisors**

<u>Name</u>	<u>Title</u>
Mike Cone	Chairman
Mitzi Miller	Vice-Chair
Rick Ledbetter	Treasurer
George Hay	Secretary
Don Sanders	Supervisor
Sharon Davis	Appointed Supervisor
Quentin Carnes	Appointed Supervisor



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

Board of Supervisors  
Roosevelt Soil and Water Conservation District  
and  
Honorable Wayne Johnson  
New Mexico State Auditor  
Santa Fe, New Mexico

I have performed the procedures enumerated below which were agreed to by State of New Mexico Roosevelt Soil and Water Conservation District (the "District") and the New Mexico State Auditor (the specified parties), solely to assist users in evaluating the District's financial reporting relating to its Cash, Capital Assets, Revenues, Expenditures, Journal Entries, and Budget information and its compliance with Section 12-6-3(B) NMSA 1978 and Section 2.2.2.16 NMAC, as of and for the year ended June 30, 2018. The District is responsible for its financial reporting as described above. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, I 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.

In accordance with Tier 4 of the Audit Act – Section 12-6-3 B (4) NMSA 1978 and Section 2.2.2.16 NMAC, my procedures and the results of those procedures are as follows:

**1. REVENUE DETERMINATION**

**Procedures**

Verify the local public body's revenue calculation and tier determination documented on the form provided at [www.osanm.org](http://www.osanm.org) under "Tier System Reporting Main Page".

**Results of Procedures**

The District's revenue calculation and tier determination were verified as correct. Total revenue was \$161,910 which requires Tier 4 agreed-upon procedures.

## **2. CASH**

### **Procedures**

a) Determine whether bank reconciliations are being performed in a timely manner and whether all bank and investment statements for the fiscal year are complete and on-hand. For purposes of performing my procedures "timely" means completion of the bank reconciliations within one month after the last day of the reporting month and "complete" means that statements for bank and investment accounts are all accounted for by the District.

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 Department of Finance & Administration - Local Government Division (DFA-LGD). For purposes of performing my procedures "accuracy" means that reconciling items agree to deposit slips and subsequent bank or investment statements, and the reconciliations are mathematically correct.

c) Determine whether the local public body's financial institutions have provided it with the 50% of pledged collateral on all uninsured deposits as required by Section 6-10-17 NMSA 1978, NM Public Money Act, if applicable.

### **Results of Procedures**

Bank accounts were complete and reconciled timely. 12 of 29 reconciliations were tested for accuracy and traced to the general ledger without exception. Financial reports were submitted to DFA without exception. Pledged collateral was not required.

## **3. CAPITAL ASSETS**

### **Procedures**

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

### **Results of Procedures**

The District performed and certified their capital asset inventory as required.

## **4. REVENUE**

### **Procedures**

Identify the nature and amount of revenue from sources by reviewing the budget, agreements, rate schedules, and underlying documentation.

a) Perform an analytical review; test actual revenue compared to budgeted revenue for the year for each type of revenue.

Select a sample of revenues equal to at least 30% of the total dollar amount and test 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**

Revenue was analytically tested and met expectations without exception. 19 receipts in the amount of \$84,723 were tested and were determined to be properly recorded as to amount, classification and period.

## **5. EXPENDITURES**

### **Procedures**

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 canceled check, as appropriate.

b) Determine that disbursements were properly authorized and approved in compliance with the budget, legal requirements and established policies and procedures.

c) Determine that the bid process (or request for proposal process if applicable), purchase 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).

## **Results of Procedures**

19 disbursements in the amount of \$64,545 were tested. Disbursements tested were accurate as to amount, payee, date and description, were properly authorized, and were in compliance with the budget, and the NM procurement code. There were no disbursements that were subject to the Per Diem and Mileage Act.

## **6. JOURNAL ENTRIES**

### **Procedures**

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.

### **Results of Procedures**

9 journal entries, or 100% of the population, were tested. All entries tested were reasonable and had adequate supporting documentation. Six of nine journal entries tested were not reviewed and approved by someone other than the preparer. See item #2018-001 in the accompanying schedule of findings and responses.

## **7. BUDGET**

### **Procedures**

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

- a) Verify, through a review of 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 so, report a compliance finding.
- c) From the original and final approved budgets and general ledger, prepare a schedule of revenues and expenditures – budget and actual on the budgetary basis used by the local public body (cash, accrual or modified accrual basis) for each individual fund.

## **Results of Procedures**

The budget and subsequent amendments were reviewed and determined to be properly authorized by the Board of Supervisors and DFA-LGD. Expenditures were less than budgeted amounts for each fund. The fund level is the legal level of budgetary control. There was a transfer from the Building Fund to the General Fund which was not included in the original budget or subsequent amendments. See item #2018-002 in the accompanying schedule of findings and responses. The Schedules of Revenues and Expenditures - Budget and Actual (Cash Basis) are presented on pages 7 through 11 of this report.

## **8. OTHER**

### **Procedures**

If information comes to the IPA's attention (regardless of materiality) indicating any fraud, illegal acts, noncompliance, or any internal control deficiencies, such instances must be disclosed in the report as required by Section, 12-6-6 NMSA 1978. The findings must include the required content per Section 2.2.2.10(L) NMAC.

### **Results of Procedures**

No other information came to my attention that requires disclosure.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. I was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the District's financial reporting and compliance as described above. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the information and use of State of New Mexico Roosevelt Soil and Water Conservation District, the New Mexico Office of the State Auditor, the New Mexico Legislature, and the New Mexico Department of Finance and Administration and is not intended to be and should not be used by anyone other than those specified parties.

*JAMES L. HARTOGONZAS, CPA LLC*

Albuquerque, New Mexico  
December 6, 2018



**SCHEDULES OF REVENUES &  
EXPENDITURES - BUDGET AND ACTUAL**

**STATE OF NEW MEXICO**  
**ROOSEVELT SOIL AND WATER CONSERVATION DISTRICT**  
**GENERAL FUND**  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original Budget	Final Budget		
<b>REVENUES:</b>				
Rental income	\$ 74,226	\$ 74,226	\$ 74,226	\$ -
LOC/Grant money shade balls	100,000	\$ 100,000	30,660	(69,340)
Sales of shade balls	160,000	\$ 160,000	19,506	(140,494)
NMSU funding	12,000	\$ 12,000	13,641	1,641
Grass seed income	7,500	\$ 7,500	-	(7,500)
Tree sales/Windbreak	7,500	7,500	4,559	(2,941)
Miscellaneous income	500	500	77	(423)
Interest income	20	20	8	(12)
<b>Total revenues</b>	<u>361,746</u>	<u>361,746</u>	<u>142,677</u>	<u>(219,069)</u>
<b>EXPENDITURES:</b>				
Principal payments on line-of-credit	100,000	100,000	29,100	70,900
Building expenses	21,500	21,500	7,663	13,837
Shade ball storage	3,200	3,200	-	3,200
Shade balls	105,000	105,000	41,493	63,507
Advertising	200	200	172	28
Dues and subscriptions	2,000	2,000	1,109	891
Education programs and sponsorships	2,000	2,000	1,894	106
Insurance	5,950	5,950	4,494	1,456
Interest	3,000	3,000	603	2,397
Mileage	3,500	3,500	1,250	2,250
Miscellaneous	1,000	1,000	325	675
Payroll expenses	32,500	32,500	29,731	2,769
Professional fees	12,000	12,000	2,921	9,079
Supplies	2,800	2,800	801	1,999
Supervisors meetings	6,300	6,300	5,325	975
Gross receipts taxes	6,000	6,000	1,127	4,873
Trainings and meetings	3,000	3,000	1,964	1,036
Tree sales/Windbreak expense	4,000	4,000	3,150	850
Utilities	18,000	18,000	15,186	2,814
<b>Total expenditures</b>	<u>331,950</u>	<u>331,950</u>	<u>148,308</u>	<u>183,642</u>
<b>Excess (deficiency) of revenues over expenditures</b>	29,796	29,796	(5,631)	(35,427)
<b>Other financing sources (uses)</b>				
Operating transfers in	-	-	53,828	53,828
Operating transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>53,828</u>	<u>53,828</u>
<b>Net change in fund balance</b>	<u>\$ 29,796</u>	<u>\$ 29,796</u>	<u>\$ 48,197</u>	<u>\$ 18,401</u>

**STATE OF NEW MEXICO**  
**ROOSEVELT SOIL AND WATER CONSERVATION DISTRICT**  
**BUILDING FUND**  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original Budget	Final Budget		
<b>REVENUES:</b>				
Rental income	\$ -	\$ -	\$ -	\$ -
Other income	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Building fund expenses	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over expenditures</b>	-	-	-	-
<b>Other financing sources (uses)</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	(47,843)	(47,843)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(47,843)</u>	<u>(47,843)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (47,843)</u>	<u>\$ (47,843)</u>
<b>Prior year cash available to balance budget</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,843</u>	

**STATE OF NEW MEXICO**  
**ROOSEVELT SOIL AND WATER CONSERVATION DISTRICT**  
**LEPA FUND**  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original Budget	Final Budget		
<b>REVENUES:</b>				
Principal payments received	\$ 8,500	\$ 18,180	\$ 18,180	\$ -
Interest income	2,000	553	553	-
<b>Total revenues</b>	<u>10,500</u>	<u>18,733</u>	<u>18,733</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Principal payments	14,529	60,330	60,330	
Interest	1,508	888	888	-
<b>Total expenditures</b>	<u>16,037</u>	<u>61,218</u>	<u>61,218</u>	<u>-</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(5,537)</u>	<u>(42,485)</u>	<u>(42,485)</u>	<u>-</u>
<b>Other financing sources (uses)</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	(5,985)	(5,985)	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(5,985)</u>	<u>(5,985)</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ (5,537)</u>	<u>\$ (48,470)</u>	<u>\$ (48,470)</u>	<u>\$ -</u>
<b>Prior year cash available to balance budget</b>	<u>\$ 48,470</u>	<u>\$ 48,470</u>	<u>\$ 48,470</u>	

**STATE OF NEW MEXICO**  
**ROOSEVELT SOIL AND WATER CONSERVATION DISTRICT**  
**WEATHER MODIFICATION FUND**  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original Budget</u>	<u>Final Budget</u>		Favorable (Unfavorable)
<b>REVENUES:</b>				
Interest income	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ (5)</u>
<b>Total revenues</b>	<u>5</u>	<u>5</u>	<u>-</u>	<u>(5)</u>
<b>EXPENDITURES:</b>				
Consulting	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
<b>Total expenditures</b>	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
<b>Change in fund balance</b>	<u>\$ (495)</u>	<u>\$ (495)</u>	<u>\$ -</u>	<u>\$ 495</u>
<b>Prior year cash available to balance budget</b>	<u>\$ 516</u>	<u>\$ 516</u>		

**STATE OF NEW MEXICO**  
**ROOSEVELT SOIL AND WATER CONSERVATION DISTRICT**  
**NOXIOUS WEED FUND**  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>REVENUES:</b>				
Contributions	\$ -	\$ 500	\$ 500	\$ -
Grant funding	-	1,500		(1,500)
<b>Total revenues</b>	<u>-</u>	<u>2,000</u>	<u>500</u>	<u>(1,500)</u>
<b>EXPENDITURES:</b>				
Contract services	-	1,000	24	976
<b>Total expenditures</b>	<u>-</u>	<u>1,000</u>	<u>24</u>	<u>976</u>
<b>Change in fund balance</b>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 476</u>	<u>\$ (524)</u>

**YEAR-END FINANCIAL REPORT  
SUBMITTED TO DFA-LGD**

**STATE OF NEW MEXICO**  
**ROOSEVELT SOIL AND WATER CONSERVATION DISTRICT**  
**YEAR-END FINANCIAL REPORT SUBMITTED TO DFA-LGD**  
**YEAR ENDED JUNE 30, 2018**

**Roosevelt Soil Water Conservation District**  
**4th Quarterly Report FY2018**

<b>Fund</b>	<b>Beginning Audited Cash</b>	<b>Revenues</b>	<b>Expenses</b>	<b>Ending Cash</b>	<b>Add Outstanding Checks</b>	<b>Substract Outstanding Deposits</b>	<b>Ending Bank Balance</b>
Operating Fund	95,543.37	148,661.93	148,307.91	95,897.39	421.05	-	96,318.44
LEPA Fund	48,469.94	18,733.20	67,203.14	-	-	-	-
Weather Modification	515.91	0.04	-	515.95	-	-	515.95
Noxious Weed	-	500.00	23.86	476.14	-	-	476.14
Change Drawer	75.00	-	-	75.00	-	-	75.00
	<b>144,604.22</b>	<b>167,895.17</b>	<b>215,534.91</b>	<b>96,964.48</b>	<b>421.05</b>	<b>-</b>	<b>97,385.53</b>



**STATE OF NEW MEXICO**  
**ROOSEVELT SOIL AND WATER CONSERVATION DISTRICT**  
**YEAR-END FINANCIAL REPORT SUBMITTED TO DFA-LGD**  
**YEAR ENDED JUNE 30, 2018**

11:56 AM  
07/02/18  
Accrual Basis

**Roosevelt Soil & Water Conservation District**  
**Profit & Loss Budget vs. Actual**  
**July 2017 through June 2018**

	Jul '17 - Jun 18	Budget	\$ Over Budget
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
Rental Income	74,225.76	74,226.00	-0.24
LOC/Grant Money Shade Balls	30,659.69	100,000.00	-69,340.31
Sale of Shade Balls	19,506.15	160,000.00	-140,493.85
NMSU Funding	13,641.31	12,000.00	1,641.31
Grass Seed Income	0.00	7,500.00	-7,500.00
Tree Sales/Windbreak	4,558.50	7,500.00	-2,941.50
Misc. Income	6,062.23	500.00	5,562.23
Interest Income	8.29	20.00	-11.71
<b>Total Income</b>	<b>148,661.93</b>	<b>361,746.00</b>	<b>-213,084.07</b>
<b>Gross Profit</b>	<b>148,661.93</b>	<b>361,746.00</b>	<b>-213,084.07</b>
<b>Expense</b>			
<b>Principal Expense</b>			
Principal on LOC	29,100.00	100,000.00	-70,900.00
<b>Total Principal Expense</b>	<b>29,100.00</b>	<b>100,000.00</b>	<b>-70,900.00</b>
<b>Building Expenses</b>			
Building Supplies	917.87	2,500.00	-1,582.13
Repairs & Maintenance	3,445.45	5,000.00	-1,554.55
Landscaping	3,300.00	4,000.00	-700.00
Improvements	0.00	10,000.00	-10,000.00
<b>Total Building Expenses</b>	<b>7,663.32</b>	<b>21,500.00</b>	<b>-13,836.68</b>
Purchase Shade Ball Storage	0.00	3,200.00	-3,200.00
Purchase Shade Balls	41,493.26	105,000.00	-63,506.74
Advertising	171.66	200.00	-28.34
Dues and Subscriptions	1,108.95	2,000.00	-891.05
Education Program/Sponsorships	1,893.90	2,000.00	-106.10
<b>Insurance</b>			
Bond	591.06	600.00	-8.94
D&O	756.00	850.00	-94.00
Building/Liability Insurance	3,147.00	4,500.00	-1,353.00
<b>Total Insurance</b>	<b>4,494.06</b>	<b>5,950.00</b>	<b>-1,455.94</b>
<b>Interest Expense</b>			
Interest on LOC	603.01	3,000.00	-2,396.99
<b>Total Interest Expense</b>	<b>603.01</b>	<b>3,000.00</b>	<b>-2,396.99</b>
Mileage/Travel	1,249.66	3,500.00	-2,250.34
Miscellaneous	325.00	1,000.00	-675.00
<b>Payroll Wages</b>			
Payroll Expenses	29,730.67	32,500.00	-2,769.33
<b>Total Payroll Wages</b>	<b>29,730.67</b>	<b>32,500.00</b>	<b>-2,769.33</b>
<b>Professional Fees</b>			
Audit Expense	2,921.07	3,000.00	-78.93
Consulting	0.00	2,500.00	-2,500.00
Legal Fees	0.00	6,500.00	-6,500.00
<b>Total Professional Fees</b>	<b>2,921.07</b>	<b>12,000.00</b>	<b>-9,078.93</b>
<b>Supplies</b>			
Field Supplies	0.00	1,000.00	-1,000.00
Office Supplies	801.48	1,800.00	-998.52
<b>Total Supplies</b>	<b>801.48</b>	<b>2,800.00</b>	<b>-1,998.52</b>

STATE OF NEW MEXICO  
 ROOSEVELT SOIL AND WATER CONSERVATION DISTRICT  
 YEAR-END FINANCIAL REPORT SUBMITTED TO DFA-LGD  
 YEAR ENDED JUNE 30, 2018

11:56 AM  
 07/02/18  
 Accrual Basis

**Roosevelt Soil & Water Conservation District**  
**Profit & Loss Budget vs. Actual**  
 July 2017 through June 2018

	Jul '17 - Jun 18	Budget	\$ Over Budget
Supervisors Meetings	5,325.00	6,300.00	-975.00
Taxes-CRS	1,126.82	6,000.00	-4,873.18
Training/Meetings	1,963.66	3,000.00	-1,036.34
Tree Sales/Windbreak Expense	3,150.60	4,000.00	-849.40
Utilities	15,185.79	18,000.00	-2,814.21
<b>Total Expense</b>	<b>148,307.91</b>	<b>331,950.00</b>	<b>-183,642.09</b>
<b>Net Ordinary Income</b>	<b>354.02</b>	<b>29,796.00</b>	<b>-29,441.98</b>
<b>Other Income/Expense</b>			
Other Income			
Transfer from Bldg Acct.	47,843.29	0.00	47,843.29
<b>Total Other Income</b>	<b>47,843.29</b>	<b>0.00</b>	<b>47,843.29</b>
<b>Net Other Income</b>	<b>47,843.29</b>	<b>0.00</b>	<b>47,843.29</b>
<b>Net Income</b>	<b>48,197.31</b>	<b>29,796.00</b>	<b>18,401.31</b>

STATE OF NEW MEXICO  
 ROOSEVELT SOIL AND WATER CONSERVATION DISTRICT  
 YEAR-END FINANCIAL REPORT SUBMITTED TO DFA-LGD  
 YEAR ENDED JUNE 30, 2018

11:17 AM  
 07/02/18  
 Accrual Basis

**Roosevelt Soil & Water Conservation District**  
**Balance Sheet**  
 As of June 30, 2018

	Jun 30, 18
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
JP Stone Community Bank	95,897.39
Change Drawer	75.00
<b>Total Checking/Savings</b>	<b>95,972.39</b>
<b>Total Current Assets</b>	<b>95,972.39</b>
<b>TOTAL ASSETS</b>	<b>95,972.39</b>
<b>LIABILITIES &amp; EQUITY</b>	
Equity	
Retained Earnings	47,775.08
Net Income	48,197.31
<b>Total Equity</b>	<b>95,972.39</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>95,972.39</b>

STATE OF NEW MEXICO  
 ROOSEVELT SOIL AND WATER CONSERVATION DISTRICT  
 YEAR-END FINANCIAL REPORT SUBMITTED TO DFA-LGD  
 YEAR ENDED JUNE 30, 2018

3:26 PM  
 07/02/18  
 Cash Basis

**Roosevelt Soil and Water LEPA Loan account**  
**Profit & Loss Budget vs. Actual**  
 July 2017 through June 2018

	Jul '17 - Jun 18	Budget	\$ Over Budget
<b>Income</b>			
Principal Received	18,180.30	18,180.30	0.00
Interest Income	552.90	552.90	0.00
<b>Total Income</b>	18,733.20	18,733.20	0.00
<b>Expense</b>			
Principal Paid	60,329.96	60,329.96	0.00
Interest on loan	887.95	887.95	0.00
Miscellaneous Expense	5,985.23		
<b>Total Expense</b>	67,203.14	61,217.91	5,985.23
<b>Net Income</b>	<b>-48,469.94</b>	<b>-42,484.71</b>	<b>-5,985.23</b>

**STATE OF NEW MEXICO**  
**ROOSEVELT SOIL AND WATER CONSERVATION DISTRICT**  
YEAR-END FINANCIAL REPORT SUBMITTED TO DFA-LGD  
YEAR ENDED JUNE 30, 2018

3:28 PM

07/02/18

Cash Basis

**Roosevelt Soil and Water LEPA Loan account**  
**Balance Sheet**  
As of June 30, 2018

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	Jun 30, 18
<b>ASSETS</b>	
Other Assets	0.00
<b>TOTAL ASSETS</b>	<u>0.00</u>
<b>LIABILITIES &amp; EQUITY</b>	
Equity	
Retained Earnings	6,319.97
Net Income	-6,319.97
Total Equity	<u>0.00</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u>0.00</u>

STATE OF NEW MEXICO  
 ROOSEVELT SOIL AND WATER CONSERVATION DISTRICT  
 YEAR-END FINANCIAL REPORT SUBMITTED TO DFA-LGD  
 YEAR ENDED JUNE 30, 2018

1:16 PM  
 07/02/18  
 Accrual Basis

**Weather Mod**  
**Profit & Loss Budget vs. Actual**  
 July 2017 through June 2018

	Jul '17 - Jun 18	Budget	\$ Over Budget
<b>Income</b>			
Interest Income	0.04	5.00	-4.96
<b>Total Income</b>	0.04	5.00	-4.96
<b>Expense</b>			
Consulting	0.00	500.00	-500.00
<b>Total Expense</b>	0.00	500.00	-500.00
<b>Net Income</b>	<b>0.04</b>	<b>-495.00</b>	<b>495.04</b>

STATE OF NEW MEXICO  
 ROOSEVELT SOIL AND WATER CONSERVATION DISTRICT  
 YEAR-END FINANCIAL REPORT SUBMITTED TO DFA-LGD  
 YEAR ENDED JUNE 30, 2018

1:17 PM  
 07/02/18  
 Accrual Basis

**Weather Mod**  
**Balance Sheet**  
 As of June 30, 2018

	Jun 30, 18
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
JP Stone Community Bank	515.95
Total Checking/Savings	515.95
Total Current Assets	515.95
<b>TOTAL ASSETS</b>	<b>515.95</b>
<b>LIABILITIES &amp; EQUITY</b>	
Equity	
Retained Earnings	515.91
Net Income	0.04
Total Equity	515.95
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>515.95</b>

STATE OF NEW MEXICO  
 ROOSEVELT SOIL AND WATER CONSERVATION DISTRICT  
 YEAR-END FINANCIAL REPORT SUBMITTED TO DFA-LGD  
 YEAR ENDED JUNE 30, 2018

1:20 PM  
 07/02/18  
 Accrual Basis

**Roosevelt SWCD Noxious Weed Account**  
**Profit & Loss Budget vs. Actual**  
 January through June 2018

	Jan - Jun 18	Budget	\$ Over Budget
<b>Income</b>			
Direct Public Support			
Individ, Business Contributions	500.00	500.00	0.00
Total Direct Public Support	500.00	500.00	0.00
Grant Funding	0.00	1,500.00	-1,500.00
<b>Total Income</b>	<b>500.00</b>	<b>2,000.00</b>	<b>-1,500.00</b>
<b>Expense</b>			
Contract Services	23.86	1,000.00	-976.14
<b>Total Expense</b>	<b>23.86</b>	<b>1,000.00</b>	<b>-976.14</b>
<b>Net Income</b>	<b>476.14</b>	<b>1,000.00</b>	<b>-523.86</b>



**STATE OF NEW MEXICO**  
**ROOSEVELT SOIL AND WATER CONSERVATION DISTRICT**  
**YEAR-END FINANCIAL REPORT SUBMITTED TO DFA-LGD**  
**YEAR ENDED JUNE 30, 2018**

1:22 PM  
07/02/18  
Accrual Basis

**Roosevelt SWCD Noxious Weed Account**  
**Balance Sheet**  
**As of June 30, 2018**

	Jun 30, 18
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
Noxious Weed Account	476.14
Total Checking/Savings	476.14
Total Current Assets	476.14
<b>TOTAL ASSETS</b>	<b>476.14</b>
<b>LIABILITIES &amp; EQUITY</b>	
Equity	
Net Income	476.14
Total Equity	476.14
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>476.14</b>

**STATE OF NEW MEXICO**  
**ROOSEVELT SOIL AND WATER CONSERVATION DISTRICT**  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED JUNE 30, 2018

**Prior Year Findings**

None.

**Current Year Findings**

**2018-001 – Journal Entries Not Approved**

*Condition:* Six of 9 journal entries tested that were prepared by the District bookkeeper had no evidence of board approval.

*Criteria:* Section 12-6-3B(6) NMSA 1978 requires the independent public accountant to determine whether the local public body has procedures in place that requires journal entries to be reviewed, and that evidence of the review and approval is documented.

*Cause:* The District does not have a policy for approving journal entries.

*Effect:* Without a policy for reviewing and approving journal entries, there is an increased risk that a material misstatement in the District's financial statements will not be prevented, detected or corrected.

*Recommendation:* I recommend the District adopt a policy for documenting, reviewing and approving journal entries prior to recording them in the general ledger.

*Agency Response:* Our Board was not aware of this policy until this request was made to see the journal entries approved by the Board. Since that time, our Board passed a motion during our September meeting to have all journal entries approved at each monthly Board meeting.

**STATE OF NEW MEXICO**  
**ROOSEVELT SOIL AND WATER CONSERVATION DISTRICT**  
SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED  
YEAR ENDED JUNE 30, 2018

**Current Year Findings, continued**

2018-002 - Interfund Transfer Not Budgeted

*Condition:* The District transferred \$47,843 from the Building Fund to the General Fund that was not authorized in the original budget or subsequent amendments.

*Criteria:* 2.2.2.10 R(1)(a) NMAC requires reporting a finding if actual expenditures exceed budgeted expenditures at the legal level of budgetary control, which is at the fund level for the District.

*Cause:* The District decided to pay off a loan during the year, which was properly authorized by a budget amendment in the LEPA Fund. There were remaining funds in the Building Fund that were subsequently transferred to the General Fund in order to prepare for closing the Building Fund. However, the District did not authorize a budget amendment in the Building Fund for the transfer.

*Effect:* The authorized budget was incomplete, leading to increased risk of budget violations.

*Recommendation:* I recommend that the District include all interfund transfers in their annual authorized budget.

*Agency Response:* Our Board did pass a motion to adjust the 2018 budget reflecting the remaining building fund balance to be transferred to the general account. We did not pass a resolution at that time. The District accounted for it in the quarterly reporting, but did not adjust the budget to reflect it or have a resolution for it. Effective immediately, the Board will pass a budget resolution and obtain DFA approval for all future transfers.

**STATE OF NEW MEXICO  
ROOSEVELT SOIL AND WATER CONSERVATION DISTRICT  
EXIT CONFERENCE  
YEAR ENDED JUNE 30, 2018**

The report contents were discussed at an exit conference held on December 13, 2018 with the following in attendance:

**Roosevelt Soil and Water Conservation District**

Mike Cone	Chairman
Rick Ledbetter	Treasurer
Dawn Privett	Administrative Assistant

**James L. Hartogenesis, CPA LLC**

James Hartogenesis, CPA, CGFM	Principal
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