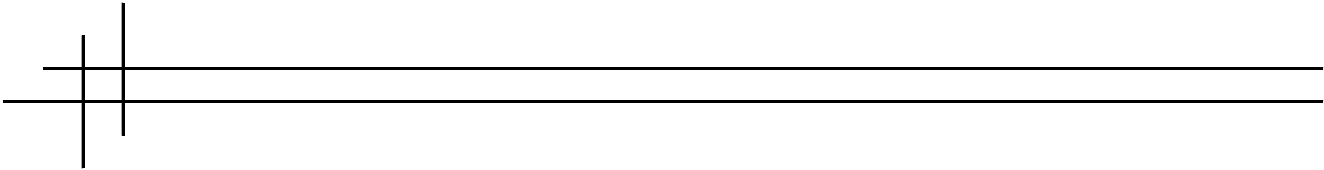




**Roosevelt Soil and Water Conservation District**  
Portales, New Mexico

Independent Accountants' Report on  
Applying Agreed-Upon Procedures  
June 30, 2016

De'Aun Willoughby CPA, PC  
Certified Public Accountant  
Clovis, New Mexico



**Roosevelt Soil and Water Conservation District**  
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For the Year Ended June 30, 2016

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**Roosevelt Soil and Water Conservation District**

Official Roster

June 30, 2016

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**Board of Supervisors**

Mike Cone	Chairperson
Mitzi Miller	Vice-Chairperson
George Hay	Secretary
Rick Ledbetter	Treasurer
Sharon Davis	Supervisor
Don Sanders	Supervisor
Quinten Carnes	Supervisor

**Administration**

Dawn Privett	Administrative Assistant
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**Independent Auditor's Report on Applying Agreed Upon Procedures**

Mr. Tim Keller  
State Auditor of the State of New Mexico  
Board Members of Roosevelt Soil and Water Conservation District

We have performed the procedures enumerated below for Roosevelt Soil and Water Conservation District (District), for the year ended June 30, 2016. The District was determined to be a Tier 4 entity under the Audit Act, Section 12-6-3 B (4) NMSA 1978. The procedures were agreed to by the District through the Office of the New Mexico State Auditor. The District's management is responsible for the organization's accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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 are as follows:

**1. Verify**

a) 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 "Tiered System Reporting Main Page".

Results:

The revenue calculation and tier determination was documented correctly on the form provided at [www.osanm.org](http://www.osanm.org) under "Tiered System Reporting Main Page".

**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.

b) Perform a random test of bank reconciliations for accuracy. Also, trace ending balances to the general ledger, supporting documentation and the financial reports submitted to DFA-Local Government Division.

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:

The District has four checking accounts. All checking account's bank reconciliations have been performed on a timely basis and are on-hand.

The bank reconciliations tested were for the month ended June 30, 2016. The bank balances on the bank reconciliations agreed with the bank statements and the reconciled balances on the bank reconciliations agreed with the general ledger. The reconciled balances agreed with the DFA report for June 30, 2016. The reconciled balances total \$145,454.

Because bank accounts did not exceed the uninsured limits as of June 30, 2016 pledged collateral is not required for any of the banks where the monies are held.

### **3. Capital Assets**

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

Results:

The District does have and is maintaining a inventory list. They also took and certified a fiscal year end physical inventory.

### **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. Select a sample of revenues based on auditor judgment and test using 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:

Analytical review and test of actual revenue compared to budgeted revenue for the year for each type of revenue revealed no exceptions.

The accounting basis is cash basis as required. The revenue deposited was classified correctly and recorded in the correct period and the amount recorded in the general ledger agreed with the amount deposited.

### **5. Expenditures**

Select a sample of cash disbursements based on auditor judgment and test using 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:

The test sample of 39 expenditures were recorded. We verified that amount, payee, date and description agreed to the vendor's invoice, purchase order, contract and canceled check, as appropriate.

We verified that disbursements were properly authorized and approved in compliance with the budget, legal requirements and established policies and procedures.

We verified 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) and found none that were violated.

## **6. Journal Entries**

If non-routine journal entries, such as adjustments or reclassifications, are posted to the general ledger, test significant items 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:

There were three journal entries made in the general ledger. All three appear to be reasonable and have supporting documentation. The local board approves all journal entries in the board meetings.

## **7. Budget**

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:

A review of the minutes indicated that the original budget was approved by the Board of Supervisors and that the original budget had not been adjusted.

The total of actual expenditures did not exceed the final budget at the fund level, the legal level of budgetary control.

We prepared schedules of revenues and expenditures – budget and actual on the budgetary basis used by the local public body. These schedules were prepared from the original and final approved budgets and general ledger.

## **Other**

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(I)(3)(C) NMAC.

Results:

There was no other information that came to our attention.

We were not engaged to and did not conduct an audit or examination of the subject matter, the objective of which would be the expression of an opinion on the District's compliance with results of procedures required of a Tier 4 examination. Accordingly, we do not express such an opinion. 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 the management, the board members, the Office of the State Auditor, the Department of Finance and Administration, and the New Mexico State Legislature and is not intended to be and should not be used by anyone other than these specified parties.

*De'Ann Willoughby CPA PC*

Clovis, New Mexico  
December 9, 2016

**Roosevelt Soil and Water Conservation District**

General Fund

Statement of Revenues, Expenditures, and Changes in Cash Balance -

Budget and Actual (Non GAAP Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<b>Revenues</b>				
NMSU Funding	\$ 10,000	\$ 10,000	\$ 14,675	\$ 4,675
Grants	0	0	0	0
Grass Seed Commission	25,000	25,000	8,061	(16,939)
Tree and Windbreak Sales	25,000	25,000	7,035	(17,965)
Miscellaneous	170	170	126	(44)
<b>Total Revenues</b>	<b>60,170</b>	<b>60,170</b>	<b>29,897</b>	<b>(30,273)</b>
<b>Expenditures</b>				
Advertising and Public Relations	200	200	143	57
Bonding	600	600	591	9
Consulting	2,000	2,000	200	1,800
Dues & Subscriptions	2,000	2,000	1,787	213
Education Programs	1,500	1,500	1,429	71
Field Supplies	1,000	1,000	100	900
Insurance	2,500	2,500	811	1,689
Travel	3,500	3,500	2,549	951
Miscellaneous	1,000	1,000	498	502
Payroll	23,900	23,900	22,357	1,543
Postage	250	250	247	3
Professional Fees	12,000	12,000	5,613	6,387
Supplies	2,300	2,300	536	1,764
Supervisor Meetings	6,300	6,300	5,025	1,275
Taxes	2,500	2,500	218	2,282
Training and Meetings	3,000	3,000	1,388	1,612
Trees and Windbreak Supplies	8,900	8,900	4,763	4,137
<b>Total Expenditures</b>	<b>73,450</b>	<b>73,450</b>	<b>48,255</b>	<b>25,195</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(13,280)</b>	<b>(13,280)</b>	<b>(18,358)</b>	<b>(5,078)</b>
Cash Balance Beginning of Year	39,176	39,176	39,176	0
Cash Balance End of Year	\$ 25,896	\$ 25,896	\$ 20,818	\$ (5,078)



**Roosevelt Soil and Water Conservation District**

Building Fund

Statement of Revenues, Expenditures, and Changes in Cash Balance -

Budget and Actual (Non GAAP Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
Revenues				
Rental Income	74,226	74,226	74,226	0
Other	0	0	111	111
Total Revenues	<u>74,226</u>	<u>74,226</u>	<u>74,337</u>	<u>111</u>
Expenditures				
Improvements	0	12,000	616	11,384
Insurance	0	4,500	4,010	490
Payroll	0	8,500	8,263	237
Repairs and Maintenance	0	9,000	7,679	1,321
Supplies	0	4,000	1,237	2,763
Utilities	0	18,000	13,751	4,249
Debt Service		0		
Principal	0	30,000	30,000	0
Interest	0	5,000	3,068	1,932
Total Expenditures	<u>0</u>	<u>91,000</u>	<u>68,624</u>	<u>22,376</u>
Excess (Deficiency) of Revenues Over Expenditures	74,226	(16,774)	5,713	22,487
Cash Balance Beginning of Year	<u>63,089</u>	<u>63,089</u>	<u>63,089</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 137,315</u>	<u>\$ 46,315</u>	<u>\$ 68,802</u>	<u>\$ 22,487</u>

**Roosevelt Soil and Water Conservation District**

LEPA Fund

Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non GAAP Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
Revenues				
Principal Received on LEPA Loans	13,271	13,271	18,759	5,488
Interest Income	2,829	2,829	1,391	(1,438)
Total Revenues	<u>16,100</u>	<u>16,100</u>	<u>20,150</u>	<u>4,050</u>
Expenditures				
Debt Service				
Principal	13,491	13,491	13,829	(338)
Interest	2,709	2,709	2,208	501
Total Expenditures	<u>16,200</u>	<u>16,200</u>	<u>16,037</u>	<u>163</u>
Excess (Deficiency) of Revenues Over Expenditures	(100)	(100)	4,113	4,213
Cash Balance Beginning of Year	<u>51,131</u>	<u>51,131</u>	<u>51,131</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 51,031</u>	<u>\$ 51,031</u>	<u>\$ 55,244</u>	<u>\$ 4,213</u>

**Roosevelt Soil and Water Conservation District**

Weather Modification Fund

Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Non GAAP Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
Revenues				
Other	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Consulting Fees	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>516</u>	<u>516</u>	<u>516</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 516</u>	<u>\$ 516</u>	<u>\$ 516</u>	<u>\$ 0</u>

**Roosevelt Soil Water Conservation District**  
**4th Quarterly Report FY2016**

Fund	Beginning			Add		Subtract		Ending Bank Balance
	Audited Cash	Revenues	Expenses	Ending Cash	Outstanding Checks	Outstanding Deposits		
Operating Fund	39,175.87	29,896.60	48,255.16	20,817.31	1,303.72	-	22,121.03	
Change Drawer	75.00	-	-	75.00	-	-	75.00	
Building Fund	63,087.76	74,337.48	68,623.55	68,801.69	1,057.10	-	69,858.79	
LEPA Fund	51,130.81	20,150.04	16,036.78	55,244.07	-	-	55,244.07	
Weather Modification	515.85	0.02	-	515.87	-	-	515.87	
	153,985.29	124,384.14	132,915.49	145,453.94	2,360.82	-	147,814.76	

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## Roosevelt Soil &amp; Water Conservation District

## Profit &amp; Loss Budget vs. Actual

07/06/16

July 2015 through June 2016

Accrual Basis

	Jul '15 - Jun 16	Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
NMSU Funding	14,674.44	10,000.00	4,674.44
Grass Seed Income	8,061.16	25,000.00	-16,938.84
Tree Sales/Windbreak	7,035.25	25,000.00	-17,964.75
Education Income	0.00	150.00	-150.00
Miscellaneous Income	122.00	0.00	122.00
Interest Income	3.75	20.00	-16.25
<b>Total Income</b>	<b>29,896.60</b>	<b>60,170.00</b>	<b>-30,273.40</b>
Gross Profit	29,896.60	60,170.00	-30,273.40
Expense			
Advertising	143.11	200.00	-56.89
Bond Expense	591.06	600.00	-8.94
Consulting	200.00	2,000.00	-1,800.00
Dues and Subscriptions	1,787.04	2,000.00	-212.96
Education Program/Sponsorships	1,428.99	1,500.00	-71.01
Field Supplies & Equipment	100.00	1,000.00	-900.00
Insurance	811.00	2,500.00	-1,689.00
Mileage/Travel	2,549.48	3,500.00	-950.52
Miscellaneous	497.90	1,000.00	-502.10
Payroll Wages			
Payroll Expenses	22,356.98	23,900.00	-1,543.02
<b>Total Payroll Wages</b>	<b>22,356.98</b>	<b>23,900.00</b>	<b>-1,543.02</b>
Postage and Delivery	247.33	250.00	-2.67
Professional Fees			
Audit Expense	5,000.00	5,000.00	0.00
Legal Fees	613.00	7,500.00	-6,887.00
<b>Total Professional Fees</b>	<b>5,613.00</b>	<b>12,500.00</b>	<b>-6,887.00</b>
Supplies	535.51	2,300.00	-1,764.49
Supervisors Meetings	5,025.00	6,300.00	-1,275.00
Taxes-CRS	217.55	2,500.00	-2,282.45
Training/Meetings	1,387.79	3,000.00	-1,612.21
Tree Sales/Windbreak Expense	4,763.42	8,900.00	-4,136.58
<b>Total Expense</b>	<b>48,255.16</b>	<b>73,950.00</b>	<b>-25,694.84</b>
Net Ordinary Income	-18,358.56	-13,780.00	-4,578.56
Net Income	<b>-18,358.56</b>	<b>-13,780.00</b>	<b>-4,578.56</b>

1:53 PM

07/06/16

Accrual Basis

## Roosevelt Soil & Water Conservation District

### Balance Sheet

As of June 30, 2016

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	<u>Jun 30, 16</u>
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
JP Stone Community Bank	20,817.31
Change Drawer	75.00
Total Checking/Savings	<u>20,892.31</u>
Total Current Assets	<u>20,892.31</u>
<b>TOTAL ASSETS</b>	<b><u>20,892.31</u></b>
<b>LIABILITIES &amp; EQUITY</b>	
Equity	
Retained Earnings	39,250.87
Net Income	-18,358.56
Total Equity	<u>20,892.31</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>20,892.31</u></b>



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## Roosevelt Soil and Water District Building Account

07/06/16

## Profit &amp; Loss Budget vs. Actual

Accrual Basis

July 2015 through June 2016

	Jul '15 - Jun 16	Budget	\$ Over Budget
Ordinary Income/Expense			
Income			
Interest Income	5.82	25.00	-19.18
Rent Income	74,331.66	74,226.00	105.66
Total Income	74,337.48	74,251.00	86.48
Gross Profit	74,337.48	74,251.00	86.48
Expense			
Improvements	615.59	12,000.00	-11,384.41
Insurance Expense	4,010.94	4,500.00	-489.06
Interest Expense	3,067.51	5,000.00	-1,932.49
Principal paid on loan	30,000.00	30,000.00	0.00
Payroll Expenses	8,262.66	8,500.00	-237.34
Repairs and Maintenance			
Building Supplies	1,236.72	4,000.00	-2,763.28
Landscape/Repairs/Maintenance	7,679.38	9,000.00	-1,320.62
Total Repairs and Maintenance	8,916.10	13,000.00	-4,083.90
Utilities	13,750.75	18,000.00	-4,249.25
Total Expense	68,623.55	91,000.00	-22,376.45
Net Ordinary Income	5,713.93	-16,749.00	22,462.93
Net Income	5,713.93	-16,749.00	22,462.93

1:58 PM

07/06/16

Accrual Basis

**Roosevelt Soil and Water District Building Account**  
**Balance Sheet**  
As of June 30, 2016

---

	<u>Jun 30, 16</u>
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
JP Stone Community Bank	68,801.69
Total Checking/Savings	<u>68,801.69</u>
Total Current Assets	68,801.69
Fixed Assets	
Buildings and Improvements	708,884.78
Land	37,847.95
Total Fixed Assets	<u>746,732.73</u>
<b>TOTAL ASSETS</b>	<b><u><u>815,534.42</u></u></b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Long Term Liabilities	
N/P American Heritage Bank	94,629.70
Total Long Term Liabilities	<u>94,629.70</u>
Total Liabilities	94,629.70
Equity	
Retained Earnings	715,190.79
Net Income	5,713.93
Total Equity	<u>720,904.72</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u><u>815,534.42</u></u></b>



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07/06/16

Accrual Basis

**Weather Mod**  
**Profit & Loss Budget vs. Actual**  
July 2015 through June 2016

---

	Jul '15 - Jun 16	Budget	\$ Over Budget
Income			
Interest Income	0.02	5.00	-4.98
Total Income	0.02	5.00	-4.98
Expense			
Consulting	0.00	500.00	-500.00
Total Expense	0.00	500.00	-500.00
Net Income	<u>0.02</u>	<u>-495.00</u>	<u>495.02</u>

2:00 PM

07/06/16

Accrual Basis

**Weather Mod**  
**Balance Sheet**  
As of June 30, 2016

---

	Jun 30, 16
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
JP Stone Community Bank	515.87
Total Checking/Savings	515.87
Total Current Assets	515.87
<b>TOTAL ASSETS</b>	<u>515.87</u>
<b>LIABILITIES &amp; EQUITY</b>	
Equity	
Retained Earnings	515.85
Net Income	0.02
Total Equity	515.87
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u>515.87</u>

2:02 PM  
07/06/16  
Cash Basis

**Roosevelt Soil and Water LEPA Loan account**  
**Profit & Loss Budget vs. Actual**  
July 2015 through June 2016

	Jul '15 - Jun 16	Budget	\$ Over Budget
Income			
Principal Received	18,758.59	13,270.52	5,488.07
Interest Income	1,391.45	2,829.48	-1,438.03
<b>Total Income</b>	<b>20,150.04</b>	<b>16,100.00</b>	<b>4,050.04</b>
Expense			
Principal Paid	13,828.47	13,491.19	337.28
Interest on loan	2,208.31	2,708.81	-500.50
<b>Total Expense</b>	<b>16,036.78</b>	<b>16,200.00</b>	<b>-163.22</b>
<b>Net Income</b>	<b>4,113.26</b>	<b>-100.00</b>	<b>4,213.26</b>

2:03 PM  
07/06/16  
Cash Basis

**Roosevelt Soil and Water LEPA Loan account**  
**Balance Sheet**  
As of June 30, 2016

	Jun 30, 16
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
NM Bank and Trust	55,244.07
<b>Total Checking/Savings</b>	<b>55,244.07</b>
<b>Total Current Assets</b>	<b>55,244.07</b>
Other Assets	
Pilant #28	5,794.25
Legleiter #29	34,669.76
<b>Total Other Assets</b>	<b>40,464.01</b>
<b>TOTAL ASSETS</b>	<b>95,708.08</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Other Current Liabilities	
N/P Interstate Stream Comm	88,332.61
<b>Total Other Current Liabilities</b>	<b>88,332.61</b>
<b>Total Current Liabilities</b>	<b>88,332.61</b>
<b>Total Liabilities</b>	<b>88,332.61</b>
Equity	
Retained Earnings	3,262.21
Net Income	4,113.26
<b>Total Equity</b>	<b>7,375.47</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>95,708.08</b>

**Roosevelt Soil and Water Conservation District**  
Schedule of Findings and Responses  
June 30, 2016

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**Prior Year Audit Findings**

None

**Status**

**Current Year Audit Findings**

None

**Exit Conference**

An exit conference was held on December 9, 2016. Those present were Quinten Carnes-Board Supervisor, Rick Ledbetter-Treasurer, Dawn Privett-Administrative Assistant, and De'Aun Willoughby, CPA.