



MACIAS, GUTIERREZ & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ESPANOLA, NEW MEXICO
www.mgandc.com

STATE OF NEW MEXICO

**AGUA FRIA COMMUNITY
WATER SYSTEM ASSOCIATION**

Independent Accountants' Report on Applying
Agreed-Upon Procedures (Tier 4)

Year Ended December 31, 2015

STATE OF NEW MEXICO

**AGUA FRIA COMMUNITY
WATER SYSTEM ASSOCIATION**

**Independent Accountants' Report on Applying
Agreed-Upon Procedures – Tier 4**

Year Ended December 31, 2015

**STATE OF NEW MEXICO
AGUA FRIA COMMUNITY WATER SYSTEM ASSOCIATION**

**Table of Contents
December 31, 2015**

		<u>Page</u>
Title Page		i
Table of Contents		ii
Official Roster		iii
Independent Accountants' Report on Applying Agreed-Upon Procedures – Tier 4		iv-vii
	<u>Exhibit</u>	
Schedule of Revenues and Expenses – Budget and Actual (Modified Accrual Basis)	A	1-2
Copy of Balance Sheet submitted to DFA-LGD at year-end	B	3
Copy of Profit & Loss and Budget Overview submitted to DFA-LGD at year-end	C	4-11
Schedule of Findings and Responses		12
Exit Conference		13

**STATE OF NEW MEXICO
AGUA FRIA COMMUNITY WATER SYSTEM ASSOCIATION**

**Official Roster
at December 31, 2015**

<u>Name</u>		<u>Title</u>
<u>Board of Directors</u>		
Ramon Romero		President
Rudy Martinez		Vice-President
Gil Tercero		Treasurer
Dion Montoya		Secretary
Henry Chavez		Member
<u>Staff</u>		
Ana M. Berry		Accounts Manager
Frank Leyba		Water Operator



Macias, Gutierrez
& Co., P.C.

*Certified Public Accountants
Member AICPA, NMSCPA*

1302 Calle De La Merced, Suite A
Española, New Mexico 87532
505.747.4415
Fax 505.747.4417

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES (Tier 4)

To: Ramon Romero, President
Agua Fria Community Water System Association
and
Honorable Timothy M. Keller
New Mexico State Auditor

We have performed the procedures enumerated below for the Agua Fria Community Water System Association (AFCWSA), for the year ended **December 31, 2015** solely to assist AFCWSA in demonstrating compliance with a **Tier 4** entity under the Audit Act, Section 12-6-3 B (4) NMSA 1978, Section 2.2.2.16 NMAC and Section 6-6-2 (A) NMSA 1978, as set forth in the accompanying Exhibits A, B and C. The procedures were agreed to by the AFCWSA through the Office of the New Mexico State Auditor. The Agua Fria Community Water System Association'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. 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.
- 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 the Department of Finance and Administration, Local Government Division (DFA-LGD).
- 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 Performed

- a) The AFCWSA has one checking account and one savings account, in one financial institution, and utilizes Quickbooks to record cash transactions. Sample tested bank reconciliations are performed on a timely basis and all bank statements were complete and on-hand for the entire year.

- b) Random tests of bank reconciliations revealed no exceptions. The reconciliations were accurate and agreed with supporting documentation. We traced the December 31, 2015 cash balances to the Quickbooks year-end quarterly financial report submitted to DFA-LGD. Currently, there is no DFA-LGD required cash balance reporting format.
- c) Cumulative single-institution bank account balances never exceeded uninsured limits and, therefore, pledged collateral was not required on any uninsured deposits.

2. 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 Performed

The AFCWSA performed a yearly inventory as required by Section 12-6-10 NMSA 1978 and maintains a capital asset listing.

3. 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 revenue based on auditor judgment 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 of Procedures Performed

- a) An analytical review of prior-year to current-year revenue revealed no unexplained or unusual variations. The test of actual revenue compared to budgeted revenue for the year for each revenue type revealed no exceptions.
- b) We requested supporting documentation for sixteen (16) deposits (349% of total revenue) from a total of 85 deposits for the year. For the sample selected, amounts recorded on Quickbooks general ledger agreed with deposit tickets, other supporting documentation provided and the bank statements, with no exception.
- c) Amounts were properly recorded on a modified accrual basis as to classification, amount and period per review of supporting documentation.

4. Expenditures

Procedures

Select a sample of cash disbursements based on auditor judgment 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 check clearing amount (cancelled checks not returned), 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 13-1-99 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 Performed

- a) We requested supporting documentation for 32 disbursements (41% of total expenditures) from a total of 306 disbursements for the year. For the sample selected, amounts recorded as disbursed agreed to supporting documentation, with no exceptions. Amount paid, payee, date and description agreed with the vendor's invoice, purchase order, contract and check clearing amount, as appropriate.
- b) Disbursements were properly authorized and approved in compliance with the budget, legal requirements and established policies and procedures.
- c) 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 13-1-99 NMSA 1978) and State Purchasing Regulations (1.4.1 NMAC) and Regulations Governing the Per Diem and Mileage Act (2.42.2 NMAC).

5. Journal Entries

Procedures

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 of Procedures Performed

The AFCWSA utilizes Quickbooks to record cash transactions but the accounts manager prepares formal journal entries at the end of each month to record receivable accruals and the fee accountant prepares formal journal entries at year-end to record minor adjustments and reclassifications. The results of our tests are as follows:

- a) Journal entries are reasonable and have supporting documentation.
- b) The AFCWSA has procedures that require journal entries to be reviewed and there is evidence the reviews are being performed through approval of monthly financial statements.

6. 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 Performed

- a) A review of minutes and related correspondence revealed that the FY 2015 original proposed and final budget was approved by the AFCWSA governing body and DFA-LGD. There was one subsequent 2015 budget adjustment approved by the AFCWSA governing body and DFA-LGD.
- b) Total actual expenses did not exceed the final budget at the total fund level, the legal level of budgetary control.
- c) The AFCWSA prepared and submitted to DFA-LGD Profit and Loss statements for the year ended December 31, 2015 and October through December 2015 and a Budget vs. Actual for the quarter ended December 31, 2015 (herein Exhibit C). The DFA-LGD indicated that the AFCWSA complied with all budget and quarterly reporting requirements for FY 2015. A schedule of revenues and expenses – budget and actual was prepared from AFCWSA records on the modified accrual budgetary basis. This schedule is included herein as Exhibit A.

Other

Procedures

If information comes to the IPA's attention (regardless of materiality) indicating any fraud, illegal acts, noncompliance, or any internal control deficiencies, disclose 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 of Procedures Performed

No exceptions were found as a result of applying the procedures described above (regardless of materiality) indicating any fraud, illegal acts, noncompliance or any internal control deficiencies.

* * * * *

We were not engaged to, and did not conduct an audit of financial statements or any part thereof, the objective of which would be the expression of an opinion on the financial statements or any part thereof, including the accompanying Exhibits A, B and C. 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 Agua Fria Community Water System Association, the New Mexico State Auditor's Office, the Department of Finance and Administration, Local Government Division and the New Mexico Legislature and is not intended to be and should not be used by anyone other than those specified parties.

Macias, Gutierrez & Co., CPAs, P. C.

Macias, Gutierrez & Co., CPAs, P. C.
 Espanola, New Mexico
 May 20, 2016

STATE OF NEW MEXICO
AGUA FRIA COMMUNITY WATER SYSTEM ASSOCIATION
Schedule of Revenues and Expenses-Budget and Actual (Modified Accrual Basis)
Year Ended December 31, 2015

	Budgeted Amounts		Actuals	Variance
	Original	Final		Favorable (Unfavorable)
Revenues:				
Hook-up Fees	\$ 2,400	\$ 2,400	\$ 4,100	\$ 1,700
Installation Fees	2,750	2,750	2,750	-
Membership Fees	2,500	2,500	5,000	2,500
Water Base Rate	78,452	78,452	78,341	(111)
Water Usage	48,167	48,167	41,154	(7,013)
Insurance Claim Refund	-	-	3,503	3,503
Interest Income	96	96	57	(39)
Lopez Lane New Services	-	-	370	370
Meter Reinstallation	-	-	300	300
NSF Check Fees Refunds	-	-	90	90
Tampering Fee	-	-	50	50
Water Sold	-	-	96	96
Total revenues	<u>134,365</u>	<u>134,365</u>	<u>135,811</u>	<u>1,446</u>
Cash balance budgeted	<u>-</u>	<u>197,604</u>	<u>197,604</u>	<u>-</u>
Total revenues and cash balance budgeted	<u>134,365</u>	<u>331,969</u>	<u>333,415</u>	<u>1,446</u>
Expenses:				
2015 Improvements	250	250	143	107
2015 System Improvements	-	-	540	(540)
Attorney Fees	-	-	435	(435)
Audit	4,000	4,000	-	4,000
Bank Service Charges	-	-	56	(56)
Bounced Check Charges	-	-	30	(30)
Cleaning of New Office	-	-	150	(150)
Computer Repairs	-	-	320	(320)
Corporate Filing Fees	20	20	20	-
Damage Deposit	-	-	25	(25)
Director Fees	500	500	500	-
Dues and Subscriptions	270	270	264	6
Emergency Funds	20,400	20,400	-	20,400
Furniture	-	-	1,150	(1,150)
General Meeting Supplies	230	230	215	15
Promotions	-	-	89	(89)
Inspection of New Office	-	-	375	(375)
Contractor Insurance	1,432	1,432	1,506	(74)
Liability Insurance	4,750	4,750	5,255	(505)
Office Insurance	-	-	138	(138)
Legal Lot Status	-	-	275	(275)
Liens	-	-	26	(26)
Line Locates	408	408	451	(43)
NMFA Loan Interest	782	782	742	40
NMFA Loan Principal	16,093	16,093	-	16,093
Low Flow Credit	-	-	150	(150)
Sign for Office	-	-	980	(980)
System Maintenance	2,400	2,400	1,352	1,048

STATE OF NEW MEXICO
AGUA FRIA COMMUNITY WATER SYSTEM ASSOCIATION
Schedule of Revenues and Expenses-Budget and Actual (Modified Accrual Basis)
Year Ended December 31, 2015

	Budgeted Amounts		Actuals	Variance
	Original	Final		Favorable (Unfavorable)
Expenses (cont'd):				
Well Maintenance & Repairs	\$ -	\$ -	\$ 625	\$ (625)
Membership Refunds	-	-	2,500	(2,500)
Bookkeeping	-	-	2,400	(2,400)
Door for Office	-	-	227	(227)
Electricity for Office	600	600	368	232
Minutes Taking	235	235	187	48
Office Helper	-	-	300	(300)
Office Lease	2,400	2,400	1,300	1,100
Office Supplies	-	-	2,880	(2,880)
Payroll Taxes	-	-	46	(46)
Post Office Box Rent	122	122	122	-
Postage	1,764	1,764	2,077	(313)
Printing and Reproduction	-	-	44	(44)
Rental Costs	900	900	202	698
Safety Deposit Box	60	60	60	-
Software Update	1,133	1,133	1,208	(75)
Telephone/Fax/Internet	1,860	1,860	2,453	(593)
Operations and Maintenance - Materials	7,200	7,200	1,971	5,229
Operations and Maintenance - Water Operator	21,240	21,240	20,279	961
Payroll Expenses	27,912	27,912	30,184	(2,272)
Phase III - Archeological	-	8,000	7,647	353
Accounting	-	-	1,192	(1,192)
Repairs at New Office	-	17,000	16,361	639
System Leak Repairs	-	8,000	7,298	702
Water Tank Shed Repairs	-	-	930	(930)
Well House Repairs	-	-	4,890	(4,890)
Security Monitoring	300	300	618	(318)
CRS Taxes	6,245	6,245	-	6,245
Property Taxes	1,325	1,325	2,675	(1,350)
Water Conservation Fee	360	360	346	14
Tools & Other Expense	-	-	-	-
Training & Education	-	-	-	-
Utilities - Electricity	7,800	7,800	5,913	1,887
Gas Service	-	-	369	(369)
Purchased Water	-	10,000	9,797	203
Sewer	-	-	235	(235)
Water Leak Adjustments	800	800	2,238	(1,438)
Water Quality Testing	516	516	584	(68)
Yard Cleaning at New Office	-	-	200	(200)
Total expenses	<u>134,307</u>	<u>177,307</u>	<u>145,913</u>	<u>31,287</u>
Excess revenues over (under) expenses	<u>\$ 58</u>	<u>\$ 154,662</u>	<u>\$ 187,502</u>	<u>\$ 32,733</u>

3:35 PM
01/19/16
Accrual Basis

Agua Fria Community Water Systems Association
Balance Sheet
As of December 31, 2015

	Dec 31, 15
ASSETS	
Current Assets	
Checking/Savings	
First National Bank of Santa Fe	12,428.27
First National Bank of SF Sav	27,051.01
Total Checking/Savings	39,479.28
Other Current Assets	
Due from State Government	14,116.00
Materials on hand	8,396.00
Receivables customer billings	19,788.94
Total Other Current Assets	42,300.94
Total Current Assets	81,780.22
Fixed Assets	
2004 New meters	0.43
2012 Phase I & II	258,296.26
2013 Phase II	437,778.93
2014 Phase II	130,153.16
Accumulated Depreciation	20,394.00
Capitol Improvements	411,989.23
Furniture & Fixtures	-0.16
Office building	144,171.45
Tools and Other	12,150.07
Water Rights	252,315.00
Well and Well house	
2014 Well	328,989.39
Acc. depreciation-Well	-328,736.00
Land	193,227.00
Original Cost of Well # 2	150,000.00
Pressure Reducing Valve	27,500.00
Storage Tank	64,923.00
Well and Well house - Other	51,848.50
Total Well and Well house	487,751.89
Total Fixed Assets	2,155,000.26
TOTAL ASSETS	2,236,780.48
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Payroll Liabilities	1,974.04
Sales Tax Payable	7,240.51
WTB loan-current portion	16,134.00
Total Other Current Liabilities	25,348.55
Total Current Liabilities	25,348.55
Long Term Liabilities	
Hook ups deposits	21,500.00
Memberships deposits	103,450.00
Note Payable Water Trust Board	280,525.00
Total Long Term Liabilities	405,475.00
Total Liabilities	430,823.55
Equity	
Retained Earnings	1,824,041.25
Net Income	-18,084.32
Total Equity	1,805,956.93
TOTAL LIABILITIES & EQUITY	2,236,780.48

4:35 PM
01/19/16
Accrual Basis

Agua Fria Community Water Systems Association
Profit & Loss
January through December 2015

	Jan - Dec 15
Ordinary Income/Expense	
Income	
Hook-up fees	4,100.00
Installation fees	2,750.00
Membership Fees	5,000.00
Water base rate	78,341.23
Water usage	41,148.51
Total Income	131,339.74
Expense	
2015 Improvements	142.82
2015 System Improvements	539.80
Attorney Fees	435.20
Bank Service Charges	56.09
Bounced Check Charges	
NSF check charges	-60.00
NSF checks	0.00
Bounced Check Charges - Other	-116.08
Total Bounced Check Charges	-176.08
Cleaning of new office	150.00
Computer repairs	320.00
Corporate filing fees	20.00
Damage deposit	25.00
Director fees	500.00
Dues and Subscriptions	264.00
Furniture	1,150.00
General meeting supplies	214.66
Gifts/Promotions	89.44
Inspection of new office	375.00
Insurance	
Contractor Insurance	1,506.00
Liability Insurance	5,255.00
Office insurance	138.00
Total Insurance	6,899.00
Legal lot status	275.00
Liens	26.00
Line locates	450.68
Loans	
NMFA Loan Interest	741.64
NMFA Loan Principal	16,134.00
Total Loans	16,875.64
Low flow credit	150.00
Maintenance	
Sign for office	980.00
System Maintenance	1,352.50
Well Maintenance & Repairs	625.25
Total Maintenance	2,957.75
Membership Refunds	2,500.00
Office Expense	
Bookkeeping	2,400.00
Door for office	226.52
Electricity for office	367.88
Health Insurance	0.00
Minutes Taking	187.00
Office helper	300.00
Office Lease	1,300.00
Office Supplies	2,879.84
Payroll Taxes	46.07
Post Office Box Renta	122.00
Postage	2,076.59
Printing and Reproduction	44.07
Rental costs	202.50

Agua Fria Community Water Systems Association
Profit & Loss
January through December 2015

	Jan - Dec 15
Safety Deposit Box	60.00
Software update	1,208.25
Telephone/Fax/Internet	2,452.86
Total Office Expense	13,873.58
Operations & Maintenance	
Materials	1,971.37
Water Operator	20,279.09
Total Operations & Maintenance	22,250.46
Payroll Expenses	30,183.84
Phase III	
Archeological	7,646.70
Total Phase III	7,646.70
Professional Fees	
Accounting	1,192.19
Total Professional Fees	1,192.19
Repairs	
Repairs at new office	16,361.02
Water leak repair	7,297.53
Water tank shed repairs	930.41
Well house	4,890.00
Total Repairs	29,478.96
Security monitoring	617.75
Taxes	
CRS	6,079.34
Property	2,675.17
Water Conservation Fee	345.56
Total Taxes	9,100.07
Utilities	
Electricity	5,689.99
Electricity at 3942 Agua Fria	223.43
Gas service	369.26
Purchased water	9,796.64
Sewer at 3942 Agua Fria Street	235.31
Total Utilities	16,314.63
Void	0.00
Water leak adjustments	2,238.19
Water Quality Testing	584.37
Yard cleaning at new office	200.00
Total Expense	167,920.74
Net Ordinary Income	-36,581.00
Other Income/Expense	
Other Income	
Correction on deposit	4.95
Grant income reimbursements	14,115.56
Insurance claim payment	3,503.49
Interest earned	45.71
Interest Income	10.97
Lopez Lane new services income	370.00
Meter reinstallation	300.00
Tampering fee	50.00
Water sold	96.00
Total Other Income	18,496.68
Net Other Income	18,496.68
Net Income	-18,084.32

Agua Fria Community Water Systems Association
Profit & Loss
 October through December 2015

	Oct - Dec 15
Ordinary Income/Expense	
Income	
Hook-up fees	2,400.00
Membership Fees	3,125.00
Water base rate	19,429.68
Water usage	9,013.37
	33,968.05
Total Income	33,968.05
Expense	
2015 System Improvements	539.80
Attorney Fees	435.20
Bounced Check Charges	
NSF checks	-33.47
	-33.47
Total Bounced Check Charges	-33.47
Director fees	500.00
Dues and Subscriptions	264.00
Insurance	
Contractor Insurance	376.50
	376.50
Total Insurance	376.50
Legal lot status	275.00
Liens	26.00
Maintenance	
Well Maintenance & Repairs	90.00
	90.00
Total Maintenance	90.00
Membership Refunds	1,250.00
Office Expense	
Health Insurance	0.00
Office Supplies	507.44
Postage	441.00
Printing and Reproduction	44.07
Telephone/Fax/Internet	602.47
	1,594.98
Total Office Expense	1,594.98
Operations & Maintenance	
Water Operator	4,962.67
	4,962.67
Total Operations & Maintenance	4,962.67
Payroll Expenses	8,104.03
Phase III	
Archeological	3,781.63
	3,781.63
Total Phase III	3,781.63
Professional Fees	
Accounting	1,084.00
	1,084.00
Total Professional Fees	1,084.00
Repairs	
Well house	4,890.00
	4,890.00
Total Repairs	4,890.00
Security monitoring	84.45
Taxes	
CRS	1,528.85
Property	2,675.17
Water Conservation Fee	76.01
	4,280.03
Total Taxes	4,280.03

Agua Fria Community Water Systems Association
Profit & Loss
October through December 2015

	<u>Oct - Dec 15</u>
Utilities	
Electricity	1,900.99
Electricity at 3942 Agua Fria	85.61
Gas service	142.86
Purchased water	1,513.76
Sewer at 3942 Agua Fria Street	67.31
Total Utilities	<u>3,710.53</u>
Void	0.00
Water Quality Testing	146.22
Total Expense	<u>36,361.57</u>
Net Ordinary Income	-2,393.52
Other Income/Expense	
Other Income	
Insurance claim payment	3,503.49
Interest earned	5.46
Interest Income	2.16
Total Other Income	<u>3,511.11</u>
Net Other Income	<u>3,511.11</u>
Net Income	<u><u>1,117.59</u></u>

Agua Fria Community Water Systems Association
Profit & Loss Budget vs. Actual
October through December 2015

	Oct 15	Budget	\$ Over B...	Nov 15	Budget	\$ Over B...
Ordinary Income/Expense						
Income						
Hook-up fees	0.00	0.00	0.00	2,400.00	0.00	2,400.00
Installation fees	0.00	0.00	0.00	0.00	0.00	0.00
Membership Fees	0.00	0.00	0.00	1,875.00	0.00	1,875.00
Water base rate	6,565.20	6,400.00	165.20	6,278.79	6,400.00	-121.21
Water usage	3,968.58	4,337.00	-368.42	2,365.36	3,300.00	-934.64
Total Income	10,533.78	10,737.00	-203.22	12,919.15	9,700.00	3,219.15
Expense						
2015 System Improvements	0.00	0.00	0.00	0.00	0.00	0.00
Attorney Fees	0.00			435.20		
Audit	0.00	0.00	0.00	0.00	0.00	0.00
Bounced Check Charges						
NSF checks	-33.47			0.00		
Total Bounced Check Charges	-33.47			0.00		
Corporate filing fees	0.00	0.00	0.00	0.00	0.00	0.00
Director fees	0.00	0.00	0.00	0.00	0.00	0.00
Dues and Subscriptions	0.00	0.00	0.00	0.00	0.00	0.00
Emergency funds	0.00	1,700.00	-1,700.00	0.00	1,700.00	-1,700.00
General meeting supplies	0.00	0.00	0.00	0.00	0.00	0.00
Gross receipts paid	0.00			0.00		
Insurance						
Contractor Insurance	0.00	358.00	-358.00	0.00	0.00	0.00
Liability Insurance	0.00	0.00	0.00	0.00	0.00	0.00
Total Insurance	0.00	358.00	-358.00	0.00	0.00	0.00
Legal lot status	275.00			0.00		
Liens	0.00			0.00		
Line locates	0.00	102.00	-102.00	0.00	0.00	0.00
Loans						
NMERD Loan Interest Expense	0.00	0.00	0.00	0.00	0.00	0.00
NMFA Loan	0.00	0.00	0.00	0.00	0.00	0.00
NMFA Loan Interest	0.00	0.00	0.00	0.00	0.00	0.00
NMFA Loan Principal	0.00	0.00	0.00	0.00	0.00	0.00
Total Loans	0.00	0.00	0.00	0.00	0.00	0.00
Maintenance						
System Maintenance	0.00	200.00	-200.00	0.00	200.00	-200.00
Well Maintenance & Repairs	0.00			0.00		
Total Maintenance	0.00	200.00	-200.00	0.00	200.00	-200.00
Membership Refunds	0.00			1,250.00		
Office Expense						
Electricity for office	0.00	150.00	-150.00	0.00	0.00	0.00
Health Insurance	0.00			0.00		
Minutes Taking	0.00	0.00	0.00	0.00	0.00	0.00
Office Lease	0.00	200.00	-200.00	0.00	200.00	-200.00
Office Supplies	27.99			474.09		
Post Office Box Renta	0.00	0.00	0.00	0.00	0.00	0.00
Postage	147.00	147.00	0.00	147.00	147.00	0.00
Printing and Reproduction	6.50			37.57		
Rental costs	0.00	75.00	-75.00	0.00	75.00	-75.00
Safety Deposit Box	0.00	0.00	0.00	0.00	0.00	0.00
Software update	0.00	0.00	0.00	0.00	0.00	0.00
Telephone/Fax/Internet	199.29	155.00	44.29	298.89	155.00	143.89
Total Office Expense	380.78	727.00	-346.22	957.55	577.00	380.55
Operations & Maintenance						
Materials	0.00	600.00	-600.00	0.00	600.00	-600.00
Water Operator	1,764.13	1,770.00	-5.87	1,539.75	1,770.00	-230.25
Total Operations & Maintenance	1,764.13	2,370.00	-605.87	1,539.75	2,370.00	-830.25

3:31 PM
01/19/16
Accrual Basis

Agua Fria Community Water Systems Association
Profit & Loss Budget vs. Actual
October through December 2015

Exhibit C
Page 6 of 8

	Oct 15	Budget	\$ Over B...	Nov 15	Budget	\$ Over B...
Payroll Expenses	2,321.35	2,326.00	-4.65	3,470.73	2,326.00	1,144.73
Phase II						
Archaeological-WTB	0.00	0.00	0.00	0.00	0.00	0.00
Construction-WTB	0.00	0.00	0.00	0.00	0.00	0.00
Total Phase II	0.00	0.00	0.00	0.00	0.00	0.00
Phase III						
Archeological	0.00	0.00	0.00	0.00	0.00	0.00
Total Phase III	0.00	0.00	0.00	0.00	0.00	0.00
Professional Fees						
Accounting	0.00			1,084.00		
Total Professional Fees	0.00			1,084.00		
Purchase of office	0.00	0.00	0.00	0.00	0.00	0.00
Repairs						
Repairs at new office	0.00	0.00	0.00	0.00	0.00	0.00
Water leak repair	0.00	0.00	0.00	0.00	0.00	0.00
Well house	0.00			0.00		
Total Repairs	0.00	0.00	0.00	0.00	0.00	0.00
Security monitoring	0.00	75.00	-75.00	0.00	0.00	0.00
Taxes						
CRS	558.51	555.00	3.51	0.00	484.00	-484.00
Property	0.00	0.00	0.00	2,675.17	1,325.00	1,350.17
Water Conservation Fee	34.17	30.00	4.17	23.98	30.00	-6.02
Total Taxes	592.68	585.00	7.68	2,699.15	1,839.00	860.15
Utilities						
Electricity	1,038.08	650.00	388.08	342.33	650.00	-307.67
Electricity at 3942 Agua Fria	26.10			28.65		
Gas service	24.14			64.29		
Purchased water	0.00	0.00	0.00	571.77	1,000.00	-428.23
Sewer at 3942 Agua Fria Street	33.91			33.40		
Total Utilities	1,122.23	650.00	472.23	1,040.44	1,650.00	-609.56
Void	0.00			0.00		
Water leak adjustments	0.00	200.00	-200.00	0.00	0.00	0.00
Water Quality Testing	0.00	129.00	-129.00	146.22	0.00	146.22
Total Expense	6,422.70	9,422.00	-2,999.30	12,623.04	10,662.00	1,961.04
Net Ordinary Income	4,111.08	1,315.00	2,796.08	296.11	-962.00	1,258.11
Other Income/Expense						
Other Income						
Grant income reimbursements	0.00	0.00	0.00	0.00	0.00	0.00
Insurance claim payment	3,503.49			0.00		
Interest earned	1.78	8.00	-6.22	1.84	8.00	-6.16
Interest Income	0.54			0.76		
Savings Transfer	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Income	3,505.81	8.00	3,497.81	2.60	8.00	-5.40
Other Expense						
Grant expenses	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Expense	0.00	0.00	0.00	0.00	0.00	0.00
Net Other Income	3,505.81	8.00	3,497.81	2.60	8.00	-5.40
Net Income	7,616.89	1,323.00	6,293.89	298.71	-954.00	1,252.71

Agua Fria Community Water Systems Association
Profit & Loss Budget vs. Actual
 October through December 2015

01/19/16

Accrual Basis

	TOTAL					
	Dec 15	Budget	\$ Over B...	Oct - De...	Budget	\$ Over B...
Ordinary Income/Expense						
Income						
Hook-up fees	0.00	0.00	0.00	2,400.00	0.00	2,400.00
Installation fees	0.00	0.00	0.00	0.00	0.00	0.00
Membership Fees	1,250.00	0.00	1,250.00	3,125.00	0.00	3,125.00
Water base rate	6,585.69	6,400.00	185.69	19,429.68	19,200.00	229.68
Water usage	2,679.43	3,250.00	-570.57	9,013.37	10,887.00	-1,873.63
Total Income	10,515.12	9,650.00	865.12	33,968.05	30,087.00	3,881.05
Expense						
2015 System Improvements	539.80	0.00	539.80	539.80	0.00	539.80
Attorney Fees	0.00			435.20		
Audit	0.00	0.00	0.00	0.00	0.00	0.00
Bounced Check Charges						
NSF checks	0.00			-33.47		
Total Bounced Check Charges	0.00			-33.47		
Corporate filing fees	0.00	0.00	0.00	0.00	0.00	0.00
Director fees	500.00	500.00	0.00	500.00	500.00	0.00
Dues and Subscriptions	264.00	0.00	264.00	264.00	0.00	264.00
Emergency funds	0.00	1,700.00	-1,700.00	0.00	5,100.00	-5,100.00
General meeting supplies	0.00	0.00	0.00	0.00	0.00	0.00
Gross receipts paid	970.34			970.34		
Insurance						
Contractor Insurance	376.50	0.00	376.50	376.50	358.00	18.50
Liability Insurance	0.00	0.00	0.00	0.00	0.00	0.00
Total Insurance	376.50	0.00	376.50	376.50	358.00	18.50
Legal lot status	0.00			275.00		
Liens	26.00			26.00		
Line locates	0.00	0.00	0.00	0.00	102.00	-102.00
Loans						
NMERD Loan Interest Expense	0.00	0.00	0.00	0.00	0.00	0.00
NMFA Loan	0.00	0.00	0.00	0.00	0.00	0.00
NMFA Loan Interest	0.00	0.00	0.00	0.00	0.00	0.00
NMFA Loan Principal	0.00	0.00	0.00	0.00	0.00	0.00
Total Loans	0.00	0.00	0.00	0.00	0.00	0.00
Maintenance						
System Maintenance	0.00	200.00	-200.00	0.00	600.00	-600.00
Well Maintenance & Repairs	90.00			90.00		
Total Maintenance	90.00	200.00	-110.00	90.00	600.00	-510.00
Membership Refunds	0.00			1,250.00		
Office Expense						
Electricity for office	0.00	0.00	0.00	0.00	150.00	-150.00
Health Insurance	0.00			0.00		
Minutes Taking	0.00	0.00	0.00	0.00	0.00	0.00
Office Lease	0.00	200.00	-200.00	0.00	600.00	-600.00
Office Supplies	5.36			507.44		
Post Office Box Renta	0.00	0.00	0.00	0.00	0.00	0.00
Postage	147.00	147.00	0.00	441.00	441.00	0.00
Printing and Reproduction	0.00			44.07		
Rental costs	0.00	75.00	-75.00	0.00	225.00	-225.00
Safety Deposit Box	0.00	60.00	-60.00	0.00	60.00	-60.00
Software update	0.00	0.00	0.00	0.00	0.00	0.00
Telephone/Fax/Internet	104.29	155.00	-50.71	602.47	465.00	137.47
Total Office Expense	256.65	637.00	-380.35	1,594.98	1,941.00	-346.02
Operations & Maintenance						
Materials	0.00	600.00	-600.00	0.00	1,800.00	-1,800.00
Water Operator	1,658.79	1,770.00	-111.21	4,962.67	5,310.00	-347.33
Total Operations & Maintenance	1,658.79	2,370.00	-711.21	4,962.67	7,110.00	-2,147.33

Agua Fria Community Water Systems Association
Profit & Loss Budget vs. Actual
October through December 2015

	TOTAL					
	Dec 15	Budget	\$ Over B...	Oct - De...	Budget	\$ Over B...
Payroll Expenses	2,311.95	2,326.00	-14.05	8,104.03	6,978.00	1,126.03
Phase II						
Archaeological-WTB	0.00	0.00	0.00	0.00	0.00	0.00
Construction-WTB	0.00	0.00	0.00	0.00	0.00	0.00
Total Phase II	0.00	0.00	0.00	0.00	0.00	0.00
Phase III						
Archeological	3,781.63	4,000.00	-218.37	3,781.63	4,000.00	-218.37
Total Phase III	3,781.63	4,000.00	-218.37	3,781.63	4,000.00	-218.37
Professional Fees						
Accounting	0.00			1,084.00		
Total Professional Fees	0.00			1,084.00		
Purchase of office	0.00	0.00	0.00	0.00	0.00	0.00
Repairs						
Repairs at new office	0.00	0.00	0.00	0.00	0.00	0.00
Water leak repair	0.00	0.00	0.00	0.00	0.00	0.00
Well house	4,890.00			4,890.00		
Total Repairs	4,890.00	0.00	4,890.00	4,890.00	0.00	4,890.00
Security monitoring	84.45	0.00	84.45	84.45	75.00	9.45
Taxes						
CRS	0.00	435.00	-435.00	558.51	1,474.00	-915.49
Property	0.00	0.00	0.00	2,675.17	1,325.00	1,350.17
Water Conservation Fee	17.86	30.00	-12.14	76.01	90.00	-13.99
Total Taxes	17.86	465.00	-447.14	3,309.69	2,889.00	420.69
Utilities						
Electricity	520.58	650.00	-129.42	1,900.99	1,950.00	-49.01
Electricity at 3942 Agua Fria	30.86			85.61		
Gas service	54.43			142.86		
Purchased water	941.99	3,000.00	-2,058.01	1,513.76	4,000.00	-2,486.24
Sewer at 3942 Agua Fria Street	0.00			67.31		
Total Utilities	1,547.86	3,650.00	-2,102.14	3,710.53	5,950.00	-2,239.47
Void	0.00			0.00		
Water leak adjustments	0.00	0.00	0.00	0.00	200.00	-200.00
Water Quality Testing	0.00	0.00	0.00	146.22	129.00	17.22
Total Expense	17,315.83	15,848.00	1,467.83	36,361.57	35,932.00	429.57
Net Ordinary Income	-6,800.71	-6,198.00	-602.71	-2,393.52	-5,845.00	3,451.48
Other Income/Expense						
Other Income						
Grant income reimbursements	0.00	0.00	0.00	0.00	0.00	0.00
Insurance claim payment	0.00			3,503.49		
Interest earned	1.84	8.00	-6.16	5.46	24.00	-18.54
Interest Income	0.86			2.16		
Savings Transfer	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Income	2.70	8.00	-5.30	3,511.11	24.00	3,487.11
Other Expense						
Grant expenses	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Expense	0.00	0.00	0.00	0.00	0.00	0.00
Net Other Income	2.70	8.00	-5.30	3,511.11	24.00	3,487.11
Net Income	-6,798.01	-6,190.00	-608.01	1,117.59	-5,821.00	6,938.59

**STATE OF NEW MEXICO
 AGUA FRIA COMMUNITY WATER SYSTEM ASSOCIATION**

**Schedule of Findings and Responses
 Year Ended December 31, 2015**

	<u>Type of Finding *</u>	<u>Prior Year Finding Number</u>	<u>Current Year Finding Number</u>
Current Year Findings: None	N/A	N/A	N/A
Follow-up on Prior Year Findings: None	N/A	N/A	N/A

An agreed-upon procedures report was not issued for the ended December 31, 2014. The Office of the State Auditor performed an audit for that year end.

*** Legend for Findings:**

- A. Fraud
- B. Illegal Act(s)
- C. Internal Control Deficiency(ies)
- D. Noncompliance

**STATE OF NEW MEXICO
AGUA FRIA COMMUNITY WATER SYSTEM ASSOCIATION**

**Exit Conference
Year Ended December 31, 2015**

EXIT CONFERENCE

The report contents were discussed in a telephonic exit conference held on May 30, 2016 with the following:

Agua Fria Community Water System Association

By telephone:

Gil Tercero, Treasurer
Ana Berry, Accounts Manager

Accounting Firm

James R. (Jim) Macias, CPA