

# **Accounting & Auditing Services, LLC**

**Financial Audits + Agreed Upon Procedures + Tax + Consulting**

**El Vadito De Los Cerrillos Mutual Domestic Water Consumers Association**

**Independent Accountant's Report on Applying Agreed-Upon Procedures**

**For the Fiscal Year Ending December 31, 2017**



**El Vadito De Los Cerrillos Mutual Domestic Water Consumers Association**  
**Table of Contents**  
**Fiscal Year Ending December 31, 2017**

	<u>Page</u>
Table of Contents	i
Official Roster	ii
Independent Accountant's Report	1
Schedule of Findings and Responses	7
Schedule of Revenues and Expenditures – Budget and Actual	12
Copy of Year-End Financial Report Submitted to DFA-LGD	13
Exit Conference	14

**El Vadito De Los Cerrillos Mutual Domestic Water Consumers Association  
Official Roster  
Fiscal Year Ending December 31, 2017**

**Board of Directors**

Todd Brown, President

Ann Murray, Vice President

Patricia Brown, Treasurer

Carol O'Keefe, Secretary

Peter Wlassak, Board Member

**Administration**

Ruth Center, Bookkeeper

Rudy Martinez, Water Operator

Ron C deBaca, Meter Reader

# Accounting & Auditing Services, LLC

Financial Audits + Agreed Upon Procedures + Tax + Consulting

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## Independent Accountant's Report on Applying Agreed-Upon Procedures

Board of Directors

Cerrillos, NM

El Vadito De Los Cerrillos Mutual Domestic Water Consumers Association

and

Wayne Johnson, New Mexico State Auditor

Santa Fe, NM

I have performed the procedures enumerated below for the El Vadito De Los Cerrillos Mutual Domestic Water Consumers Association (Association) for the year ended December 31, 2017, solely to assist in determining compliance with the provisions of the Audit Act for a Tier 4 entity per Section 12-6-3 B (4) NMSA 1978, Section 2.2.2.16 NMAC and Section 6-6-2 (A) NMSA 1978. The procedures were agreed to by the Association through the New Mexico Office of the State Auditor. The Association's management is responsible for its accounting records and the subject matter. 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 the parties specified in this 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 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."

Based on a review of the Association's general ledger, total revenues for the fiscal year ending December 31, 2017 were \$72,302 and the Association did not receive a capital outlay appropriation. Based on this information, the Association was properly determined to be a Tier 4 entity for FY17 since their total revenues were between \$50,000 and \$250,000 and they did not receive or expend a capital outlay appropriation in 2017.

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.

As of December 31, 2017, the Association had one checking account and one savings account at the Del Norte Credit Union. The Association did not have any investment accounts. All bank statements for the fiscal year were complete and on hand.

However, four monthly bank reconciliations were not performed in a timely manner. See Finding 2015-001 on p. 9.

- 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.

33% of the bank reconciliations were tested for accuracy. The selected bank reconciliations were accurate, and the ending balances on the bank reconciliations agreed with the Association's general ledger and supporting documentation. However, the cash balances on the bank reconciliations could not be traced to the financial reports submitted to DFA-LGD since the cash balances were not included on the quarterly reports to DFA-LGD. See Finding 2007-001 on p. 10.

- 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.

The bank account balances of the Association were fully insured by the FDIC. Pledged collateral was not required since the Association's bank balances were well below \$250,000 during the fiscal year.

### 3. Capital Assets

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

At the end of the fiscal year, the Association performed an annual inventory but did not have any movable chattels and equipment that cost more than \$5,000. No capital asset purchases during the fiscal year were noted during the agreed-upon procedures.

### 4. Revenue

- a. Identify the nature and amount of revenue from sources by reviewing the budget, agreements, rate schedules, and underlying documentation. Perform an analytical review; test actual revenue compared to budgeted revenue for the year for each type of revenue.

The revenue sources of the Association consist of monthly water dues, new membership fees, water hauler fees and interest income. The variances between the actual FY16 revenue and actual FY17 revenue were adequately explained by the Association's contract bookkeeper and the Treasurer.

The actual revenue compared to budgeted revenue for each type of revenue was reviewed. According to the Association's general ledger, actual revenues were \$438 less than budgeted revenues for FY17. No significant or unusual variances were noted.

- b. Select a sample of revenue equal to at least 30% of the total dollar amount and test the following attributes:
  - i. Amount recorded in the general ledger agrees to the supporting documentation and the bank statement.

A sample of cash receipts and deposits was judgmentally selected and tested which amounted to approximately 34% of total revenues. The amount recorded in the general ledger agreed with the supporting documentation and the bank statement.

- ii. 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, modified accrual or accrual basis.

The cash receipts tested were properly classified and recorded in the general ledger on the cash basis of accounting.

## 5. Expenditures

- a. Select a sample of cash disbursements equal to at least 30% of the total dollar amount and test the following attributes:
  - i. Determine that amount recorded as disbursed agrees to adequate supporting documentation. Verify that amount, payee, date and description agree to vendor's invoice, purchase order, contract and canceled check, as appropriate.

A sample of cash disbursements were tested which amounted to approximately 57% of total expenses. The amounts recorded as disbursed agreed with the supporting documentation. The amount, payee, date and description of the purchase agreed with the vendor's invoice, contract and canceled check. The Association does not use purchase order forms.

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

The cash disbursements tested were properly authorized and approved in compliance with the budget and legal requirements and established policies and procedures.

- iii. 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), State Purchasing Regulations (1.4.1 NMAC) and Regulations Governing the Per Diem and Mileage Act (2.42.2 NMAC).

None of the cash disbursements tested exceeded the amounts requiring sealed bids or requests for proposals. The cash disbursements tested were processed in accordance with applicable provisions of the State Procurement Code and the Per Diem and Mileage Act.

## 6. Journal Entries

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

- i. Journal entries appear reasonable and have supporting documentation.

According to the Association's accounts receivable ledger, twenty-three non-routine journal entries totaling \$3,618.38 were posted to the ledger during the fiscal year to lower customer's accounts receivable balances for excessive billings caused by water leaks, and to record adjustments for meter reading errors and returned checks from customers. The journal entries appear reasonable. However, the Association did not have adequate documentation to support six adjustments totaling \$2,580.99. See Finding 2017-002 on p. 10.

- ii. The local public body has procedures that require journal entries to be reviewed and there is evidence the reviews are being performed.

The Association has a procedure in place whereas non-routine journal entries posted to the general ledger by the Bookkeeper are reviewed and approved by the governing body during the monthly board meetings. However, there was no documentation showing that the six adjustments noted above were approved by the Association's Board of Directors. See Finding 2017-002 on p. 10.



## 7. Budget

- a. Obtain the original fiscal year budget and all budget amendments made throughout the fiscal year and perform the following test work:

- i. 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.

The Association's Board of Directors adopted a formal budget during a board meeting on December 21, 2016 (Resolution #2007-01) which was approved by DFA-LGD in a letter to the Association dated May 2, 2017. The Association did not have any budget adjustments in FY17.

- ii. 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.

Total expenditures for FY17 did not exceed the final approved budget. According to the Association's general ledger, actual expenditures for FY17 were \$3,460 less than budgeted expenditures.

- iii. 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, modified accrual or accrual basis) for each individual fund.

Based on the Association's general ledger, the Schedule of Revenues and Expenditures was prepared on the cash basis of accounting. See Exhibit 1 on p. 12.

## 8. Other

- a. 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.

Two account balances in the Association's financial statements (balance sheet) as of December 31, 2017 do not agree with the accounts receivable ledger and gross receipts tax reports. See Finding 2010-006 on p. 7.

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, respectively, on the subject matter. 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 management and others with the Association, the New Mexico State Auditor, the NM Department of Finance and Administration – Local Government Division, and the NM State Legislature and is not intended to be and should not be used by anyone other than these specified parties.

*Accounting & Auditing Services, LLC*  
Accounting & Auditing Services, LLC  
Santa Fe, New Mexico  
May 21, 2018

**El Vadito De Los Cerrillos Mutual Domestic Water Consumers Association**  
**Schedule of Findings and Responses**  
**Fiscal Year Ending December 31, 2017**

**Status of Prior Year Findings**

Finding 2010-006. Revenue and Expenditure Transactions Not Properly Classified and Recorded – Revised and Repeated.

Finding 2015-001. Bank Reconciliations Not Performed Timely – Revised and Repeated.

Finding 2015-002. Differences Between Water System Production and Sales – Resolved.

Finding 2016-001. Non-compliance with Budget Laws and Regulations – Resolved.

Finding 2016-002. Actual Expenses Exceeded the Approved Budget – Resolved.

Finding 2016-003. No Written Procurement Policies and Procedures – Resolved.

**Current Year Findings**

**Finding 2010-006. Account Balance Discrepancies Between General Ledger and Subsidiary Ledger (Billing System)**

**Condition**

As of December 31, 2017, the Association's general ledger reports a sales tax liability of \$24,728.51 but only \$410.24 of gross receipts taxes were remitted to the New Mexico Taxation and Revenue Department (NMTRD) on January 18, 2018 for December 2017 collections. The Association was unable to provide supporting documentation to explain and correct the difference of \$24,318.27.

As of December 31, 2017, the Association's general ledger reports an accounts receivable balance of \$4,137.23 but the Quickwater billing system reports an accounts receivable balance of \$5,022.85. The Association was unable to provide supporting documentation to explain and correct the difference of \$885.62.

This finding has been reported to the Association since 2010 but the Board of Directors has not taken action to correct the misstated account balances in its general ledger and financial statements.

**Criteria**

The account balances in the financial statements should agree with the subsidiary ledgers and supporting documentation. Financial transactions should be recorded in accordance with accounting principles generally accepted in the United States.

**Effect**

The Association's general ledger may be misstated and the its financial statements could be misleading to users of the financial statements.

**El Vadito De Los Cerrillos Mutual Domestic Water Consumers Association**  
**Schedule of Findings and Responses**  
**Fiscal Year Ending December 31, 2017**

Cause

The Association uses a separate software program (Quickwater) to bill its customers for water usage. The Association uses another software program (Quickbooks Pro) to record all of its financial transactions in a general ledger. However, the revenue and receivable data generated by the billing system has not been properly interfaced or downloaded into the general ledger to accurately record the transactions.

The Association's bookkeeper has not properly recorded the receipts of gross receipts taxes, the sales tax liability and accounts receivable balances in its general ledger for several years. The bookkeeper may not understand how to properly record and reconcile these transactions in accordance with generally accepted accounting principles.

Recommendation

The Association's Board of Directors should direct its bookkeeper or hire a qualified accountant to determine the cause for the inaccurate account balances and propose adjusting journal entries to correct its general ledger. The proposed adjusting journal entries should be supported with sufficient documentation and presented to the Board of Directors for review and approval.

The bookkeeper should receive training from its water billing and accounting system vendors to properly interface the systems to record the financial transactions in accordance with generally accepted accounting principles issued by the Governmental Accounting Standards Board.

The bookkeeper should perform a monthly reconciliation to ensure that the account balances in the Quickwater billing system agree with the corresponding revenue, receivable and liability account balances in the general ledger, and the monthly gross receipts tax reports (CRS-1) filed at NMTRD.

The bookkeeper should also consult with a qualified accountant and the Quickwater company to obtain training on how to import the financial data generated by the Quickwater billing system into the Quickbooks accounting software program.

Management's Response

The Board of Directors directed the bookkeeper to schedule a meeting by the end of May 2018 with a TAC/Quickwater software specialist to find out what we are doing wrong. The Treasurer & bookkeeper will make an appointment in June 2018 with the tax accountant to determine the cause of the inaccurate account balances and propose adjusting journal entries to correct the general ledger with sufficient documentation. Follow-up visits with the accountant will ensure Quickwater is interfacing with Quickbooks and we are making correct journal entries. Beginning in July 2018, the bookkeeper has been directed to perform a monthly reconciliation to ensure the account balances in Quickwater agree with corresponding revenue, receivable and liability account balances in the general ledger and the monthly gross receipts tax report.

**El Vadito De Los Cerrillos Mutual Domestic Water Consumers Association**  
**Schedule of Findings and Responses**  
**Fiscal Year Ending December 31, 2017**

**Finding 2015-001. Untimely Bank Reconciliations**

Condition

For the checking account, the bank account reconciliations for the months of January, July, October and November 2017 weren't performed until 3/9/17, 9/25/17, 1/17/2018 and 1/17/18, respectively. For the savings account, the bank account reconciliations for the months of January, July and October 2017 weren't performed until 3/5/17, 9/25/17 and 12/20/17, respectively. The Association did not take corrective action in 2017 to resolve this finding.

Criteria

It is a prudent business practice to obtain complete bank statements and perform timely bank accounts reconciliations to verify that all monetary transactions are accurately recorded and accounted for by the bank and the Association.

Effect

If bank reconciliations are not performed in a timely manner, recording errors or irregularities will not be detected and corrected as soon as possible.

Cause

The bookkeeper stated that the bank reconciliation weren't performed in a timely manner because she experienced a death in the family in January, was missing information for July and her computer was in the shop to repair a virus. The bookkeeper also has a full-time job with another company and may not have had the time to perform the bank reconciliations in a timely manner.

Recommendation

The Board of Directors should strictly require its bookkeeper to perform and document the monthly bank account reconciliation shortly after the bank statements are received but no later than the end of the following month. The Association's Treasurer should monitor the bookkeeper's performance to ensure that the bank reconciliations are performed in a timely and accurate manner.

Management's Response

Starting May 31, 2018, the bookkeeper will turn in the monthly reconciliations to the Treasurer, and will perform the bank reconciliations no later than the end of the following month. The Treasurer will monitor the submissions of the bank reconciliations.

**El Vadito De Los Cerrillos Mutual Domestic Water Consumers Association**  
**Schedule of Findings and Responses**  
**Fiscal Year Ending December 31, 2017**

**Finding 2017-001. Incomplete Quarterly Financial Reports to DFA-LGD**

Condition

The quarterly financial reports submitted to DFA-LGD did not report the actual beginning and ending cash balances or the loan principal and interest expenditures.

Criteria

As required by Section 6-6-2.F NMSA 1978, the Association should submit complete and accurate quarterly financial reports to DFA-LGD.

Section 6-6-3 NMSA 1978 provides that every local public body shall keep all the books, records and accounts in their respective offices in a form prescribed by the local government division.

Effect

Incomplete quarterly reports can mislead the Board of Directors and DFA-LGD.

Cause

The contract bookkeeper misunderstood the quarterly reporting requirements to DFA-LGD and the Treasurer did not review them for completeness and accuracy.

Recommendation

Furthermore, the Association should submit its quarterly financial reports to DFA-LGD that include the actual beginning and ending cash balances, and the loan principal and interest expenditures in the manner prescribed by DFA-LGD. The Treasurer should review the quarterly financial reports for accuracy and completeness before they are submitted to DFA-LGD.

Management's Response

Beginning with the quarterly report for the period ending June 30, 2018, the bookkeeper will add beginning & ending balances on all quarterly budget reports. The Treasurer will review the budget report each quarter before they are submitted to DFA-LGD.

**Finding 2017-002. No Documentation for Adjusting Journal Entries**

Condition

The Association was unable to provide written documentation to support six adjusting journal entries totaling \$2,580.99. According to the Association's Treasurer, credits were posted to the member's accounts receivable balances for excessive water billings caused by water leaks. There was no documentation showing the adjustments were approved by the Board President.

**El Vadito De Los Cerrillos Mutual Domestic Water Consumers Association**  
**Schedule of Findings and Responses**  
**Fiscal Year Ending December 31, 2017**

Criteria

For proper internal control over the account balances and financial statements, written documentation and approvals should be maintained for all journal entries to the general ledger.

Effect

The Association does not have documentation on file to substantiate the credits to the member's accounts receivable balances. Inaccurate or unauthorized adjustments to the general ledger could go undetected by management.

Cause

The Treasurer of the Association could not explain why the supporting documentation and evidence of approval by the Board President could not be located.

Recommendation

The Association's Board of Directors should adopt a policy and procedure requiring its bookkeeper and Treasurer to maintain written documentation and explanations to support and justify all journal entries posted to the general ledger, subsidiary ledgers and financial statements. The documentation should include a record showing that all adjusting journal entries and reclassifications were reviewed and approved by the Board President.

Management's Response

The President will notify the Treasurer when a member has an unexpected water leak. Starting with the May 17, 2018 water meeting, the Treasurer will report the water leak(s) to the Board on the monthly Treasurer's report. A credit will be approved by the Board, if it qualifies according to the rules & regulations, and documented in the meeting minutes.

**El Vadito De Los Cerrillos MDWCA**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP Cash Basis)**  
**For the Fiscal Year Ending December 31, 2017**

**Exhibit 1**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues:</b>				
Metered and Hauler Income	\$ 70,000	\$ 70,000	\$ 65,427	\$ (4,574)
Token Income	1,500	1,500	1,650	150
New Membership Fees	1,000	1,000	1,000	-
Interest	40	40	136	96
Penalties and Fees	100	100	-	(100)
Miscellaneous	100	100	4,089	3,989
<b>Total Revenues</b>	<u><u>\$ 72,740</u></u>	<u><u>\$ 72,740</u></u>	<u><u>\$ 72,302</u></u>	<u><u>\$ (438)</u></u>
<b>Expenditures:</b>				
<b>Current:</b>				
Equipment - Water Meters	\$ 6,000	\$ 6,000	\$ 8,202	\$ (2,202)
Other Maintenance	-	-	1,601	(1,601)
Office Supplies	1,000	1,000	576	424
Insurance	5,000	5,000	4,542	458
Postage & Delivery	1,000	1,000	1,060	(60)
Dues and Subscriptions	235	235	220	15
Electricity	470	470	704	(234)
Contract Labor Cost	3,000	3,000	4,758	(1,758)
Bookkeeping/Water Operator/Meter Reader	33,000	33,000	26,708	6,292
Professional Services - Other	3,000	3,000	836	2,164
AUP or Audit	3,000	3,000	2,782	218
Bank Charges	180	160	62	98
Mileage Reimbursement	2,875	2,875	3,120	(245)
Water Sampling	600	600	439	161
Administrative Costs	115	115	739	(624)
Water Conservation Fees	230	230	142	88
Corporate Taxes	50	50	50	-
Operating Cost - Other	700	700	146	554
Software + Readers	750	750	-	750
Miscellaneous	100	100	1,139	(1,039)
Debt Service - Principal	6,294	-	-	-
Debt Service - Interest	666	-	-	-
<b>Total Expenditures</b>	<u><u>\$ 68,265</u></u>	<u><u>\$ 61,285</u></u>	<u><u>\$ 57,825</u></u>	<u><u>\$ 3,460</u></u>



# Copy of Year-End Financial Report Submitted to DFA-LGD

MDWCA: El Vadito Water Association  
 Mailing Address: PO Box 6 Cerrillos, NM 87010  
 Email address: P. Brown <brownp52@yahoo.com>  
 Phone number: 505-438-3008

Calendar Year  
 2017

	APPROVED BUDGET	1st QR: Jan - Mar	2nd QR: Apr - Jun	3rd QR: Jul - Sept	4th QR: Oct -Dec	Year to Date(YTD) Totals	YTD (over/under BUDGET)	% of Budget
<b>Beginning Cash balance</b>	<b>\$ 155,000.00</b>							
<b>REVENUES (General Fund)</b>								
Metered & Hauler Income	70,000	16,527	13,074	20,289	15,525	\$ 65,426.14	\$ 4,573.86	93%
Token Income	1,500	198	342	740	370	\$ 1,649.97	\$ (149.97)	110%
New Membership Fees	1,000	-	23	1,000		\$ 1,023.07	\$ (23.07)	102%
Interest Income	40	7		51	61			
Penalties and Fees	100	-			75	\$ 75.00	\$ 25.00	75%
Miscellaneous	100	-			4,014	\$ 4,013.90	\$ (3,913.90)	4014%
<b>REVENUE TOTALS</b>	<b>\$ 72,740</b>	<b>\$ 16,733</b>	<b>\$ 13,439</b>	<b>\$ 22,090</b>	<b>\$ 20,035</b>	<b>\$ 72,188</b>	<b>\$ 512</b>	<b>99%</b>
<b>EXPENDITURES (General Fund)</b>								
Administrative Cost	115		20	376		\$ 396	\$ (281)	344%
Electricity	470	176	175	177	176	\$ 703	\$ (233)	150%
Bookkeeping_Water Operator_Meter Reader	33,000	6,369	7,859	6,534	7,554	\$ 28,316	\$ 4,684	86%
Water Sampling	600	146		146	146	\$ 438	\$ 162	73%
Insurance	5,000		4,480	62		\$ 4,542	\$ 458	91%
Postage & Delivery	1,000	470	20	570		\$ 1,060	\$ (60)	106%
Office Supplies	1,000	109	340	50	70	\$ 569	\$ 431	57%
Taxes	50	50				\$ 50	\$ -	100%
Operator Cost	700	191	267			\$ 458	\$ 242	65%
Water Conservation Fees	230	33	32	42	36	\$ 143	\$ 87	62%
Water Meters	6,000	229	4,237	1,528	2,248	\$ 8,240	\$ (2,240)	137%
Labor Cost	3,000	1,480	1,669			\$ 3,149	\$ (149)	105%
Software + Readers	750	189	183	453		\$ 825	\$ (75)	110%
PS - Attorney Accountant	3,000	460				\$ 460	\$ 2,540	15%
AUP or Audit	3,000	2,782				\$ 2,782	\$ 218	93%
Bank Charges	180	12			50	\$ 62	\$ 118	34%
Milage	2,875	796	758	794	771	\$ 3,119	\$ (244)	108%
Subscriptions & Dues	235		35		185	\$ 220	\$ 15	94%
Miscellaneous	100	308	328	313	1,286	\$ 2,244	\$ (2,144)	2244%
						\$ -	\$ -	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 61,305</b>	<b>\$ 13,799</b>	<b>\$ 20,402</b>	<b>\$ 11,043</b>	<b>\$ 12,532</b>	<b>\$ 57,776</b>	<b>\$ 3,529</b>	<b>94%</b>
<b>TOTAL GENERAL FUND to include Beginning cash</b>	<b>\$ 166,435</b>							
<b>Revenues (non-operating)</b>								
SAP.. Appropriation Capital outlay	\$ -							
State Grants	\$ -							
Federal Grants	\$ -							
Other	\$ -							
Other	\$ -							
<b>Total Revenues (non-operating)</b>	<b>\$ -</b>							
<b>Expenditures (non-operating)</b>								
Capital Outlay	\$ -							
Payments	\$ 6,294	\$ 6,294						
Interest	\$ 666	\$ 666						
Other	\$ -							
<b>Total Expenditure (non-operating)</b>	<b>\$ 6,960</b>	<b>\$ 6,960</b>						
<b>Total (Non-operating)</b>	<b>\$ (6,960)</b>							
<b>Estimated Ending Cash Balance on Dec 31, 2017</b>	<b>\$ 159,475.00</b>							

I HEREBY CERTIFY THE CONTENTS IN THIS REPORT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND THAT THIS REPORT DEPICTS ALL FUNDS

Pat Brown Treasurer  
 President/Chairperson

17-Jan-18  
 Date

**El Vadito De Los Cerrillos Mutual Domestic Water Consumers Association  
Exit Conference  
Fiscal Year Ending December 31, 2017**

On May 21, 2018, the following officials held an exit conference and discussed the results of the agreed upon procedures and the contents of this report:

El Vadito De Los Cerrillos Mutual Domestic Water Consumers Association

Patricia Brown, Treasurer  
Ruth Center, Bookkeeper

Accounting & Auditing Services, LLC

Steve B. Archibeque, CPA, Audit Manager