

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

LEASBURG MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION

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DECEMBER 31, 2017

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LEASBURG MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION

**OFFICIAL ROSTER
DECEMBER 31, 2017**

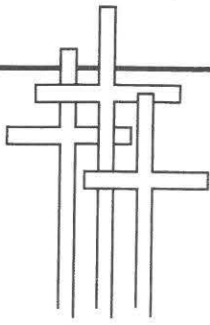
TOM PHILLIPS, PRESIDENT

KATHY KASPAREK, VICE-PRESIDENT

MARY ANNE OWEN, SECRETARY/TREASURER

ESTHER ARMIJO, DIRECTOR

JIM HARVEY, DIRECTOR



Clifford, Ross & Cooper, CPAs, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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

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

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

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an examination or review, the objective of which would be the expression of an opinion or conclusion on the accounting records. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Leasburg Mutual Domestic Water Consumers Association, the Department of Finance and Administration-Local Government Division, the NM State Legislature and New Mexico Office of the State Auditor and is not intended to be and should not be used by anyone other than those specified parties.

Clifford, Ross & Cooper, CPAs, LLC
Las Cruces, New Mexico
May 30, 2018

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

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

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

Finding: No discrepancies noted.

2) **CASH**

a) Determine whether bank reconciliations are being performed in a timely manner and whether all bank and investment statements for the fiscal year are complete and on-hand.

Procedure:

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

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

Finding:

We determined that bank reconciliations are performed in a timely manner and that all bank statements for the fiscal year are complete and on hand. The following are the Association's bank accounts and related reconciled cash balance at December 31, 2017: Sunflower Bank - Operating - \$65,011.47; Sunflower Bank - Reserve \$49,802.14; Wells Fargo Bank - Investments - \$199,609.14. All bank reconciliations are performed on a timely basis and all were complete and on-hand.

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

Procedure:

Six months of bank reconciliations were recomputed to determine accuracy. The monthly bookkeeping is done by Mesilla Valley Accounting. Books are kept on QuickBooks and reconciled through QuickBooks. We compared the cash balances per bank reconciliations to the respective general ledger account balances. Monthly financial statements are presented to the Board of Directors by Mesilla Valley Accounting for approval. Noted Mesilla Valley Accounting provides monthly financials to DFA upon request. Noted year end financials provided to DFA.

Finding:

All bank reconciliations tested revealed no exceptions.

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

Procedure:

The bank statements for the entire fiscal year ending December 31, 2016 were reviewed for balances.

Finding:

Bank account balances did not exceed the uninsured limits during the year ended December 31, 2016 and, therefore, pledged collateral was not required for any bank account.

3) **CAPITAL ASSETS**

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

Procedure:

Reviewed depreciation listing for assets prepared by Mesilla Valley Accounting

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

Finding:

Yearly inventory was performed and certified. No discrepancies noted.

4) **REVENUE**

Identify the nature and amount of revenue from all 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.

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

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

4) REVENUE (continued)

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

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

Results of Procedures:

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

	Budgeted Amount	Actual Amount	Variance	Percentage
Water Usage Fees	\$ 125,000	\$ 129,936	\$ 4,936	4%
Connection Fees	\$ 1,000	\$ 1,150	\$ 150	15%
Damage/Service Calls	\$ 750	\$ 885	\$ 135	18%
Installation Fees	\$ 415	\$ 2,856	\$ 2,441	588%
Membership Fees	\$ 300	\$ 500	\$ 200	67%
Parity Fees	\$ 500	\$ 1,000	\$ 500	100%
Delinquency Charges	\$ 3,680	\$ 4,257	\$ 577	16%
Site Lease	\$ -	\$ 200	\$ 200	200%
Interest income	\$ 850	\$ 1,460	\$ 610	72%

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

Receipts Date	Payer	Description	Amount
2/14/2017	Client fees	Revenue-Water	\$ 2,074.14
2/22/2017	Client fees	Revenue-Water	\$ 1,117.16
2/28/2017	Client fees	Revenue-Water	\$ 2,254.23
3/6/2017	Client fees	Revenue-Water	\$ 4,294.06
4/12/2017	Client fees	Revenue-Water	\$ 711.82
4/18/2017	Client fees	Revenue-Water	\$ 2,389.18
4/25/2017	Client fees	Revenue-Water	\$ 2,870.79
5/5/2017	Client fees	Revenue-Water	\$ 4,492.15
6/14/2017	Client fees	Revenue-Water	\$ 1,083.58
6/21/2017	Client fees	Revenue-Water	\$ 2,416.18
6/28/2017	Client fees	Revenue-Water	\$ 3,158.89
7/7/2017	Client fees	Revenue-Water	\$ 7,435.30
8/10/2017	Client fees	Revenue-Water	\$ 649.10
8/16/2017	Client fees	Revenue-Water	\$ 2,484.43
8/23/2017	Client fees	Revenue-Water	\$ 3,342.70
8/30/2017	Client fees	Revenue-Water	\$ 2,695.39
9/7/2017	Client fees	Revenue-Water	\$ 5,351.89
10/11/2017	Client fees	Revenue-Water	\$ 1,047.00
10/18/2017	Client fees	Revenue-Water	\$ 3,245.03
10/25/2017	Client fees	Revenue-Water	\$ 3,001.68
11/6/2017	Client fees	Revenue-Water	\$ 8,732.15
12/13/2017	Client fees	Revenue-Water	\$ 1,081.81
12/20/2017	Client fees	Revenue-Water	\$ 1,883.70
12/29/2017	Client fees	Revenue-Water	\$ 2,791.21
1/5/2018	Client fees	Revenue-Water	\$ 4,472.23

LEASBURG MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION

EXHIBIT A- SCOPE OF WORK

AGREED UPON PROCEDURES

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

4) REVENUE (continued)

Finding:

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

5) EXPENDITURES

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

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

Note: The sample must be representative of the population.

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

Check Date	Check Number	Payee	Description	Check Amount
1/10/2017	ACH	El Paso Electric	Utilities	\$ 853.83
1/9/2017	3189	Ted Reyes	Operations & Maintenance	\$ 2,181.45
1/9/2017	3191	Mesilla Valley Accounting PC	Accounting services	\$ 2,609.99
2/13/2017	ACH	NM Taxation & Revenue	Gross receipts tax	\$ 399.29
2/13/2017	3194	Jason Grady	Deposit refund	\$ 50.00
2/13/2017	3199	Verizon Wireless	Cell phone - Ted Reyes	\$ 145.87
3/25/2017	ACH	USDA/Rural Development	Loan Payment	\$ 1,877.00
3/13/2017	3207	New Mexico 811	Dues	\$ 101.51
3/13/2017	3211	Ted Reyes	Operations & Maintenance	\$ 2,276.46
4/10/2017	3216	Wells Fargo Advisors	Transer to investment account	\$ 1,000.00
4/10/2017	3218	HD Supply Waterworks, Ltd	Operations & Maintenance	\$ 762.19
4/10/2017	3222	Mesilla Valley Accounting PC	Accounting services	\$ 2,749.25
4/10/2017	3223	Federal Home Loan Mtg. Corp.	Fee	\$ 5.00
5/8/2017	3226	NM Taxation & Revenue	H20 tax	\$ 109.48
5/8/2017	3227	Johnston's Ace Hardware	Operations & Maintenance	\$ 179.97
5/8/2017	3228	Ted Reyes	Operations & Maintenance	\$ 2,284.83
5/8/2017	3229	Mesilla Valley Accounting PC	Accounting services	\$ 2,674.58
6/12/2017	3232	Ian Leslie	Deposit refund	\$ 8.29
6/12/2017	3234	HD Supply Waterworks, Ltd	Operations & Maintenance	\$ 4,834.40
6/12/2017	3237	Clifford, Ross & Cooper, LLC	AUP fee	\$ 2,437.03
6/12/2017	3241	Advanced Testing & Matl's	Operations & Maintenance	\$ 438.67
7/12/2017	ACH	El Paso Electric	Utilities	\$ 1,844.88
7/10/2017	3247	HD Supply Waterworks, Ltd	Operations & Maintenance	\$ 586.26
7/10/2017	3249	Ted Reyes	Operations & Maintenance	\$ 2,256.44
8/14/2017	3253	Kelly Dickson	Deposit refund	\$ 50.00
8/14/2017	3255	HD Supply Waterworks, Ltd	Operations & Maintenance	\$ 3,504.90
8/14/2017	3258	Mesilla Valley Accounting PC	Accounting services	\$ 2,776.75
8/25/2017	ACH	USDA/Rural Development	Loan Payment	\$ 1,877.00
9/11/2017	3265	New Mexico 811	Dues	\$ 101.51
9/11/2017	3266	NM Mutual Casualty Co.	Insurance	\$ 215.00
9/11/2017	3267	Postmaster	PO box	\$ 126.00

LEASBURG MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION

EXHIBIT A- SCOPE OF WORK

AGREED UPON PROCEDURES

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

5) EXPENDITURES (continued)						
	10/9/2017	3273	Core & Main	Operation & Maintenance		\$ 313.74
	10/9/2017	ACH	El Paso Electric	Utility		\$ 1,125.43
	10/9/2017	3275	Ted Reyes	Operation & Maintenance		\$ 2,234.83
	11/13/2017	3283	Dona Ana County Treasurer	Property tax		\$ 619.20
	11/13/2017	3285	Tom Phillips	Travel reimbursement		\$ 638.60
	11/13/2017	3286	Elephant Butte Irrigation Dist.	Water assessment		\$ 315.15
	12/11/2017	3290	Maria Teresa Chavez	Deposit refund		\$ 50.00
	12/11/2017	3295	Granite Mountain Accting LLC	Accounting services		\$ 2,668.02
	12/11/2017	3296	Johston's Ace Hardware	Operation & Maintenance		\$ 11.55
	11/12/2017	3297	Core & Main	Operation & Maintenance		\$ 97.66

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

- a)** Tested 40 out of 158 total population of cash disbursements from the operating account. The amounts recorded as disbursed agreed to supporting documentation: amount paid, payee, date and description agreed with the vendor's invoice, purchase invoice, purchase order, contract and cancelled check, as appropriate.
- b)** Traced authorization to established policies and procedures and was approved and authorized in compliance with the budget, legal requirements.
- c)** The bid process (or request for proposal process, if applicable), purchase order, contracts and agreements were processed in accordance with the New Mexico Procurement Code (Section 13-1-28 through 13-1-99 NMSA 1978) and State Purchasing Regulations (1.4.1 NMAC) and Regulations governing the Per Diem and Mileage Act (2.42.2 NMAC).

Finding:

No discrepancies were noted.

6) JOURNAL ENTRIES

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

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

The following journal entries were selected and the procedures described 5(a) - 5(b) above were performed:

Date	Description	Account Number	Debit	Credit
1/31/2017	Reverse Deposits in Transit	Water Customers	\$ 3,018.90	
	Reverse Deposits in Transit	Deposits in transit		\$ 3,018.90
4/30/2017	Monthly Depreciation Expnese	Depreciation expense	\$ 9,195.26	
	Monthly Depreciation Expnese	Accumulated Depreciation		\$ 9,195.26
6/30/2017	Quarterly EBID Assessment	Licenses/Other Taxes	\$ 69.81	
	Quarterly EBID Assessment	Prepaid expenses		\$ 69.81
8/31/2017	Monthly Sales Activity	Water Customers	\$ 14,152.60	
	Monthly Sales Activity	Water Usage Fees		\$ 12,612.10
	Monthly Sales Activity	Late Fees		\$ 270.79
	Monthly Sales Activity	Damages/Service Calls		\$ 452.00
	Monthly Sales Activity	Connection Fees		\$ 100.00
	Monthly Sales Activity	Certified Letter Fees		\$ 88.00
	Monthly Sales Activity	Gross Receipts Tax Payable		\$ 629.71
10/31/2017	Deposits in Transit	Deposits in Transit	\$ 8,732.15	
	Deposits in Transit	Water Customers		\$ 8,732.15

LEASBURG MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION

EXHIBIT A- SCOPE OF WORK

AGREED UPON PROCEDURES

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

6)	JOURNAL ENTRIES (continued)						
	12/31/2017	Update USDA/RD Loan Reserve Balance	Unrestricted Net Assets	\$	610.87		
		Update USDA/RD Loan Reserve Balance	Capital Improve. Reserve			\$	610.87
		Results of Procedures 4(a) - 4(c):					
	a)	Journal entries appear reasonable and have supporting documentation.					
	b)	The Association has a review process for journal entries and the journal entries tested have evidence of review.					
		Finding:					
		No discrepancies noted.					
7)	BUDGET						
		Obtain the original fiscal year budget and all budget amendments made throughout the fiscal year and perform the following test work:					
	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 4(a) - 4(c):					
	a)	Obtained copy of overall budget for the local public body. Obtained Minutes of the Board and reviewed for approval of budget and budget adjustments. Noted the overall budget was approved by the Board.					
	b)	Total actual expenditures did not exceed the final budget approved for the Association Budget was sent to DFA, noted approval letter from DFA					
	c)	A schedule of revenues and expenses - budget and actual was prepared from the Association record on the cash budgetary basis. Verified that Exhibit B, which was approved by the Board Resolution 2018-3 was used in submitting the final report to DFA.					
		Finding:					
		No discrepancies noted.					
		OTHER					
		If information comes to the Contractor's attention (regardless of materiality) indicating any fraud, illegal acts, noncompliance, or any internal control deficiencies, such instances must be disclosed in the report as required by Section 12-6-6 NMSA 1978. The findings must include the required content per Section 2.2.2.10(I)(3)(C) NMAC.					
		Finding:					
		No indication of any fraud, illegal acts, noncompliance, or any internal control deficiencies were noted during the agreed-upon procedures test work.					

STATE OF NEW MEXICO
LEASBURG MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION
EXHIBIT B
BUDGET AND ACTUAL - Modified Cash Basis

Statement of Revenues and Expenditures
Budget and Actual
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive/(Negative)
	Original	Final		
REVENUES				
Water sales	\$ 125,000	\$ 125,000	\$ 129,937	\$ 4,937
Connection/Reconnection charges	1,000	1,000	1,150	150
Membership and meter sales	1,215	1,215	4,356	3,141
Late fees and penalties	3,680	3,680	5,139	1,459
Gross receipts tax	6,250	6,250	6,484	234
Other operating revenue	750	750	44	(706)
Total revenues	137,895	137,895	147,110	9,215
EXPENDITURES				
Electricity	15,000	15,000	13,889	1,111
Other utilities	1,800	1,800	169	1,631
System parts and supplies	10,750	10,750	9,480	1,270
System repairs & maintenance	29,000	29,000	28,440	560
Office and administrative expense	1,125	1,125	1,934	(809)
Professional services	37,000	37,000	35,310	1,690
Insurance	8,200	8,200	7,409	791
Dues, fees, permits and licenses	1,750	1,750	1,316	434
Taxes - gross receipts tax, water conservation fee	7,500	7,500	7,851	(351)
Training	250	250	126	124
Miscellaneous	250	250	283	(33)
Total expenditures	112,625	112,625	106,207	6,418
Excess (deficiency) of revenues over expenditures	25,270	25,270	40,903	15,633
NONOPERATING REVENUES AND EXPENDITURES				
Interest	850	850	1,460	610
Site lease	-	-	200	200
Annual debt service	(22,524)	(22,524)	(22,524)	-
Capital Improvements	(15,000)	(15,000)	(3,119)	11,881
Total nonoperating revenues & expenditures	(36,674)	(36,674)	(23,983)	12,691
Excess (deficiency) of revenues and other financing sources over expenditures and other financing sources	(11,404)	(11,404)	\$ 16,920	\$ 28,324
Budgeted cash carryover	11,404	11,404		
	<u>\$ -</u>	<u>\$ -</u>		

EXHIBIT C

LEASBURG MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION.
BOARD OF DIRECTORS

RESOLUTION NO. 2018-3

WHEREAS, the Leasburg Mutual Domestic Water Consumers Association Board of Directors, hereafter referred to as the Leasburg MDWCA BOD, met in regular session at 12060 Lindbeck Dr., Radium Springs, New Mexico on January 8, 2018; and

WHEREAS, the Leasburg MDWCA BOD has developed a budget for calendar year 2017; and

WHEREAS, the final quarterly report has been reviewed and approved to ensure the accuracy of the beginning balances used on the next calendar year budget; and

WHEREAS, it is hereby certified that the contents in this report are true and correct to the best of our knowledge and that this report depicts all funds for the calendar year 2017;

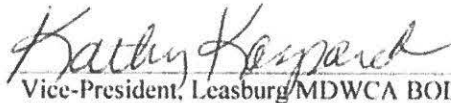
NOW THEREFORE, BE IT RESOLVED by the Leasburg MDWCA BOD that:

1. The final quarterly report for calendar year 2017 is accepted and approved.
2. The final quarterly report for calendar year 2017 shall be submitted for approval to the Local Government Division of the Department of Finance and Administration.

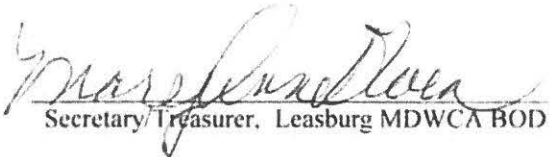
RESOLVED in the Governing Board Session this 8th day of January 2018.



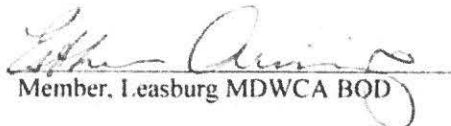
President, Leasburg MDWCA BOD



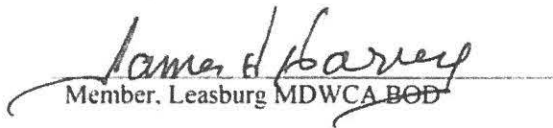
Vice-President, Leasburg MDWCA BOD



Secretary/Treasurer, Leasburg MDWCA BOD



Member, Leasburg MDWCA BOD



Member, Leasburg MDWCA BOD


EXHIBIT C

MDWCA Name: Leasburg MDWCA
Mailing Address: P.O. Box 1535, Las Cruces, NM 88004
Email Address: info@mdwcaaccounting.com
Phone number: (575) 526-2445

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
Beginning balances:								
Cash	111,863							
Savings	87,240							
CDs	100,000							
Investments	-							
Beginning Balance TOTAL	\$ 299,103							
REVENUES								
Water Sales (Water Use Fees)	125,000	24,963	34,077	37,813	33,084	129,937	(4,937)	104%
Connection/Reconnection Charges	1,000	255	245	250	400	1,150	(150)	115%
Membership and Meter Sales (Utility Service Fees)	1,215	2,216	1,565	0	575	4,356	(3,141)	358%
Late Fees and Penalties (Other Fines and Forfeits)	3,680	1,012	1,262	1,419	1,446	5,139	(1,459)	140%
Gross Receipts Tax (Other State shared taxes)	6,250	1,245	1,701	1,888	1,650	6,484	(234)	104%
Other Operating Revenue (miscellaneous - other)	1,600	479	310	232	683	1,704	(104)	107%
TOTAL	\$ 138,745	30,170	39,160	41,602	37,839	148,770	(10,025)	107%
EXPENDITURES								
Salaries - Operator, Bookkeeper, etc.	-	0	0	0	0	0	0	-
Employee Benefits and Expenses	-	0	0	0	0	0	0	-
Electricity	15,000	2,672	4,169	4,170	2,878	13,889	1,111	93%
Other Utilities - Gas, Water, Sewer, Telephone	1,800	195	(26)	0	0	169	1,631	9%
System Parts and Supplies	10,750	1,132	2,872	4,422	1,053	9,480	1,270	88%
System Repairs and Maintenance	29,000	7,251	7,581	6,704	6,904	28,440	560	98%
Vehicle Expenses	-	0	0	0	0	0	0	-
Office and Administrative Expenses	1,125	221	514	5	1,194	1,934	(809)	172%
Professional Services - Accounting, Engineering, Legal	37,000	8,342	10,786	8,113	8,070	35,310	1,690	95%
Insurance	8,200	2,036	2,036	2,024	1,313	7,409	791	90%
Dues, Fees, Permits and Licenses	1,750	379	387	326	224	1,316	434	75%
Taxes - Gross Receipts Tax, Water Conservation Fee	7,500	1,684	1,858	2,331	1,978	7,851	(351)	105%
Training	250	0	0	126	0	126	124	50%
Miscellaneous	15,250	0	3,119	284	0	3,403	11,847	22%
TOTAL	\$ 150,149	29,543	38,927	34,136	29,244	131,850	18,299	88%
Ending Balance	287,699					316,023		
LESS: Operating Reserve	24,000							
Emergency Reserve	51,000							
Capital Improvement Reserve	27,276							
Debt Reserve	22,524							
Ending Available Cash Balance	\$ 162,899					\$ 316,023		

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.



 President/Chairperson

1-8-17

 Date

Leasburg MDWCA
Statement of Assets, Liabilities, and Equity
Modified Cash Basis

	Dec 31, 17
ASSETS	
Current Assets	
Checking/Savings	
First National 1870 - Operating	64,858.96
First National 1870 - Reserve	49,802.14
Wells Fargo-Investment	200,662.74
Total Checking/Savings	315,323.84
Accounts Receivable	
Water Customers	672.19
Total Accounts Receivable	672.19
Other Current Assets	
Deposits in Transit	4,472.23
Prepaid Expenses	5,521.07
Total Other Current Assets	9,993.30
Total Current Assets	325,989.33
Fixed Assets	
Buildings	180,345.70
Furniture, Fixtures & Equipment	42,058.62
Land	59,955.06
Tools	650.00
Water System/Infrastructure	2,654,570.77
Accumulated Depreciation	-1,627,838.02
Total Fixed Assets	1,309,742.13
Other Assets	
Water Rights	66,263.19
Total Other Assets	66,263.19
TOTAL ASSETS	1,701,994.65
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Operating	6,089.19
Total Accounts Payable	6,089.19
Other Current Liabilities	
Gross Receipts Tax Payable	459.38
Total Other Current Liabilities	459.38
Total Current Liabilities	6,548.57
Long Term Liabilities	
Member Service Deposits	10,789.00
Note Payable - USDA/RD	445,036.74
Total Long Term Liabilities	455,825.74
Total Liabilities	462,374.31

EXHIBIT D
Leasburg MDWCA
Statement of Assets, Liabilities, and Equity
Modified Cash Basis

	Dec 31, 17
Equity	
Restricted Net Assets	
Capital Improvement Reserve	27,276.00
Debt Reserve	22,524.00
Emergency Reserve	51,000.00
Operating Reserve	24,000.00
Total Restricted Net Assets	124,800.00
Unrestricted Net Assets	1,200,357.10
Net Income	-85,536.76
Total Equity	1,239,620.34
TOTAL LIABILITIES & EQUITY	1,701,994.65

Leasburg MDWCA
Statement of Revenue and Expenses
Modified Cash Basis

	Oct - Dec 17	Jan - Dec 17
Ordinary Income/Expense		
Income		
Operating Income		
Water Usage Fees	33,083.99	129,936.35
Connection Fees	400.00	1,150.00
Damages/Service Calls	175.00	882.00
Installation Fees	500.00	2,855.56
Membership Fees	75.00	500.00
Parity Fees	0.00	1,000.00
Total Operating Income	34,233.99	136,323.91
Delinquency Charges		
Certified Letter Fees	407.00	1,276.00
Late Fees	849.16	2,935.54
Returned Check Fees	15.00	45.00
Total Delinquency Charges	1,271.16	4,256.54
Total Income	35,505.15	140,580.45
Gross Profit	35,505.15	140,580.45
Expense		
Bad Debt Expense	0.00	284.23
Bank Service Charges	15.00	25.00
Board Expenses	1,178.60	1,907.71
Dues and Subscriptions	0.00	581.53
Insurance	1,313.37	7,408.72
Interest Expense	3,616.91	14,561.47
Licenses/Other Taxes	223.88	957.70
Office Expense	0.00	126.00
Professional Fees		
Accounting/Administrative	8,069.66	35,310.82
Total Professional Fees	8,069.66	35,310.82
Repairs and Maintenance	200.00	1,677.34
System Operator	6,704.49	26,764.58
System Supplies & Chemicals	994.56	6,125.43
Telephone	0.00	168.59
Tools & Equipment (Non-Asset)	58.78	3,353.97
Utilities	2,877.80	13,888.51
Water Conservation Fees	218.36	1,173.82
Total Expense	25,471.41	114,315.42
Net Ordinary Income	10,033.74	26,265.03
Other Income/Expense		
Other Income		
Interest Income	683.36	1,460.08
Site Lease	0.00	200.00
Total Other Income	683.36	1,660.08

Leasburg MDWCA
Statement of Revenue and Expenses
Modified Cash Basis

	<u>Oct - Dec 17</u>	<u>Jan - Dec 17</u>
Other Expense		
Capital Improvements	0.00	3,118.75
Depreciation Expense	27,585.78	110,343.12
Total Other Expense	<u>27,585.78</u>	<u>113,461.87</u>
Net Other Income	<u>-26,902.42</u>	<u>-111,801.79</u>
Net Income	<u><u>-16,868.68</u></u>	<u><u>-85,536.76</u></u>

LEASBURG MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION

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

CURRENT YEAR FINDINGS:

None

LEASBURG MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION

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

PRIOR-YEAR FINDINGS:

None

LEASBURG MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION

**EXIT CONFERENCE
DECEMBER 31, 2017**

Exit Conference:

The exit conferences were held on May 30, 2018 with the following persons:

Tom Phillips, President

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

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