

LEASBURG MUTUAL DOMESTIC WATER
CONSUMERS ASSOCIATION
AGREED-UPON PROCEDURES
DECEMBER 31, 2018

LEASBURG MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION

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DECEMBER 31, 2018**

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LEASBURG MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION

**OFFICIAL ROSTER
DECEMBER 31, 2018**

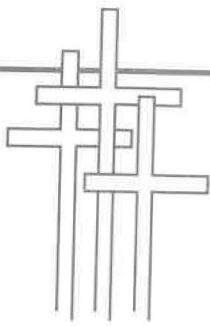
TOM PHILLIPS, PRESIDENT

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
Brian S. Colon
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, 2018. 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 24, 2019

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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, 2018: Citizens Bank - Operating - \$67,946.83; Citizens Bank - Reserve \$52,227.13; Wells Fargo Bank - Investments - \$215,384.06. 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, 2018 were reviewed for balances.

Finding:

Bank account balances did not exceed the uninsured limits during the year ended December 31, 2018 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	Actual	Variance	Percentage
	Amount	Amount		
Water Usage Fees	\$ 127,000	\$ 127,471	\$ 471	0%
Connection Fees	\$ 1,000	\$ 800	\$ (200)	-20%
Membership Fees	\$ 1,215	\$ 1,873	\$ 658	54%
Delinquency Charges	\$ 3,680	\$ 4,038	\$ 358	10%
Gross Receipts tax	\$ 6,350	\$ 6,358	\$ 8	0%
Other operating revenue	\$ 1,600	\$ 2,863	\$ 1,263	79%

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

Receipts Date	Payer	Description	Amount
2/6/2018	Client fees	Revenue-Water	\$ 2,143.83
2/14/2018	Client fees	Revenue-Water	\$ 947.00
2/21/2018	Client fees	Revenue-Water	\$ 2,093.60
2/28/2018	Client fees	Revenue-Water	\$ 3,764.82
3/6/2018	Client fees	Revenue-Water	\$ 2,774.96
4/5/2018	Client fees	Revenue-Water	\$ 480.60
4/16/2018	Client fees	Revenue-Water	\$ 2,015.59
4/25/2018	Client fees	Revenue-Water	\$ 2,756.50
4/30/2018	Client fees	Revenue-Water	\$ 3,713.34
5/30/2018	Client fees	Revenue-Water	\$ 5,070.97
5/31/2018	Client fees	Revenue-Water	\$ 2,573.18
6/6/2018	Client fees	Revenue-Water	\$ 978.79
6/14/2018	Client fees	Revenue-Water	\$ 2,205.50
6/21/2018	Client fees	Revenue-Water	\$ 2,056.08
6/29/2018	Client fees	Revenue-Water	\$ 9,047.31
8/6/2018	Client fees	Revenue-Water	\$ 8,451.50
8/10/2018	Client fees	Revenue-Water	\$ 967.20
8/17/2018	Client fees	Revenue-Water	\$ 3,879.15
8/24/2018	Client fees	Revenue-Water	\$ 2,757.37
8/31/2018	Client fees	Revenue-Water	\$ 4,512.35
10/5/2018	Client fees	Revenue-Water	\$ 4,152.59
10/15/2018	Client fees	Revenue-Water	\$ 2,679.33
10/23/2018	Client fees	Revenue-Water	\$ 3,262.14
11/1/2018	Client fees	Revenue-Water	\$ 3,039.82
11/29/2018	Client fees	Revenue-Water	\$ 4,616.49
12/6/2018	Client fees	Revenue-Water	\$ 4,765.96
12/17/2018	Client fees	Revenue-Water	\$ 3,423.49
12/27/2018	Client fees	Revenue-Water	\$ 3,487.82

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:

<u>Check Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Description</u>	<u>Check Amount</u>
1/8/2018	ACH	El Paso Electric	Utilities	\$ 910.86
1/8/2018	3304	Ted Reyes	Operations & Maintenance	\$ 2,234.83
1/8/2018	3305	Granite Mountain Accounting	Accounting services	\$ 2,750.50
2/12/2018	ACH	NM Taxation & Revenue	Gross receipts tax	\$ 448.83
2/12/2018	3314	New Mexico 811	Dues	\$ 67.70
2/25/2018	ACH	USDA/Rural Development	Loan Payment	\$ 1,877.00
3/12/2018	3319	Terry Preuit	Refund	\$ 30.05
3/12/2018	3320	Core & Main	Operations & Maintenance	\$ 245.16
3/12/2018	3322	Ted Reyes	Operations & Maintenance	\$ 2,353.74
4/9/2018	ACH	El Paso Electric	Utilities	\$ 1,220.85
4/9/2018	3327	Johnston's Ace Hardware	Operations & Maintenance	\$ 106.98
4/9/2018	3329	Granite Mountain Accounting	Accounting services	\$ 2,251.50
4/9/2018	3331	Federal Home Loan Mtg. Corp.	Fee	\$ 50.00
5/14/2018	ACH	NM Taxation & Revenue	Gross receipts tax	\$ 471.63
5/11/2018	3500	Well Fargo Advisors	transfer to investment	\$ 1,000.00
5/14/2018	3504	Ted Reyes	Operations & Maintenance	\$ 2,234.83
5/14/2018	3505	Granite Mountain Accounting	Accounting services	\$ 2,869.41
6/11/2018	3508	Patricia Norris	Deposit refund	\$ 50.00
6/11/2018	ACH	El Paso Electric	Utilities	\$ 1,328.18
6/11/2018	3513	Cummins Rocky Mtn. LLC	Operations & Maintenance	\$ 1,121.28
6/25/2018	ACH	USDA/Rural Development	Loan Payment	\$ 1,877.00
7/9/2018	ACH	El Paso Electric	Utilities	\$ 1,445.24
7/9/2018	3516	Johnston's Ace Hardware	Operations & Maintenance	\$ 19.98
7/9/2018	3519	Clifford Ross & Cooper LLC	AUP	\$ 2,437.03
8/13/2018	ACH	NM Taxation & Revenue	Gross receipts tax	\$ 829.79
8/13/2018	ACH	NM Taxation & Revenue	H2O	\$ 120.17
8/13/2018	3523	Granite Mountain Accounting	Accounting services	\$ 2,968.91
8/25/2018	ACH	USDA/Rural Development	Loan Payment	\$ 1,877.00
9/10/2018	3530	NM Mutual Casualty Co.	Insurance	\$ 192.00
9/10/2018	3531	Postmaster	PO box	\$ 134.00
9/10/2018	3533	Ted Reyes	Operations & Maintenance	\$ 2,234.83

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)						
	10/8/2018	ACH	El Paso Electric	Utility		\$ 1,102.51
	10/8/2018	3541	Johston's Ace Hardware	Operation & Maintenance		\$ 153.54
	10/25/2018	3275	USDA/Rural Development	Loan payment		\$ 1,877.00
	11/12/2018	3545	Elephant Butte Irrigation Dist.	Water assessment		\$ 315.15
	11/12/2018	3550	Core & Main	Operation & Maintenance		\$ 1,306.07
	11/19/2018	3554	Leavitt Group SW, Inc.	Insurance		\$ 3,999.00
	12/10/2018	3561	Warren Construction, Inc.	Operation & Maintenance		\$ 2,967.65
	12/10/2018	3562	Granite Mountain Accting LLC	Accounting services		\$ 3,226.98
	12/10/2018	3563	Ted Reyes	Operation & Maintenance		\$ 2,369.09
	12/25/2018	ACH	USDA/Rural Development	Loan payment		\$ 1,877.00

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

- a) Tested 41 out of 148 (41%) 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
1/1/2018	Reverse Deposits in Transit	Water Customers	\$ 4,472.23	
	Reverse Deposits in Transit	Deposits in transit		\$ 4,472.23
4/30/2018	Monthly Depreciation Expense	Depreciation expense	\$ 8,719.07	
	Monthly Depreciation Expense	Accumulated Depreciation		\$ 8,719.07
6/30/2018	Quarterly EBID Assessment	Licenses/Other Taxes	\$ 78.79	
	Quarterly EBID Assessment	Prepaid expenses		\$ 78.79
8/31/2018	Monthly Sales Activity	Water Customers		\$ 1,447.71
	Monthly Sales Activity	Water Usage Fees	\$ 2,269.25	
	Monthly Sales Activity	Connection Fees		\$ 100.00
	Monthly Sales Activity	Membership Fees		\$ 75.00
	Monthly Sales Activity	Member Service Deposits		\$ 150.00
	Monthly Sales Activity	Parity Fees		\$ 500.00
	Monthly Sales Activity	Certified Letter Fees		\$ 110.00
	Monthly Sales Activity	Gross Receipts Tax Payable	\$ 113.46	
10/31/2018	Deposits in Transit	Deposits in Transit	\$ 3,039.82	
	Deposits in Transit	Deposits in Transit	\$ 3,149.48	
	Deposits in Transit	Water Customers		\$ 6,189.30

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)

12/31/2018	Update USDA/RD Loan Reserve Balance	Unrestricted Net Assets	\$ 600.00	
	Update USDA/RD Loan Reserve Balance	Capital Improve. Reserve		\$ 600.00

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, 2018**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget Positive/(Negative)
REVENUES				
Water sales	\$ 127,000	\$ 127,000	\$ 127,471	\$ 471
Connection/Reconnection charges	1,000	1,000	800	(200)
Membership and meter sales	1,215	1,215	1,873	658
Late fees and penalties	3,680	3,680	4,038	358
Gross receipts tax	6,350	6,350	6,358	8
Other operating revenue	1,600	1,600	2,863	1,263
Total revenues	140,845	140,845	143,403	2,558
EXPENDITURES				
Electricity	15,000	15,000	13,650	1,350
Other utilities	1,800	1,800	-	1,800
System parts and supplies	10,750	10,750	5,466	5,284
System repairs & maintenance	29,000	29,000	26,811	2,189
Office and administrative expense	1,125	1,125	1,625	(500)
Professional services	37,000	37,000	36,715	285
Insurance	8,200	8,200	1,520	6,680
Dues, fees, permits and licenses	1,750	1,750	1,105	645
Taxes - gross receipts tax, water conservation fee	7,600	7,600	7,511	89
Training	250	250	-	250
Miscellaneous	12,050	12,050	7,555	4,495
Total expenditures	124,525	124,525	101,958	22,567
Excess (deficiency) of revenues over expenditures	16,320	16,320	41,445	25,125
NONOPERATING REVENUES AND EXPENDITURES				
Interest	-	-	-	-
Site lease	-	-	-	-
Annual debt service	(22,524)	(22,524)	(22,524)	-
Capital Improvements	-	-	-	-
Total nonoperating revenues & expenditures	(22,524)	(22,524)	(22,524)	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing sources	(6,204)	(6,204)	\$ 18,921	\$ 25,125
Budgeted cash carryover	6,204	6,204		
	<u>\$ -</u>	<u>\$ -</u>		

EXHIBIT C

LEASBURG MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION,
BOARD OF DIRECTORS

RESOLUTION NO. 2019-2

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 14, 2019, and

WHEREAS, the Leasburg MDWCA BOD has developed a budget for calendar year 2018; 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 2018;

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

1. The final quarterly report for calendar year 2018 is accepted and approved.
2. The final quarterly report for calendar year 2018 shall be submitted for approval to the Local Government Division of the Department of Finance and Administration.

RESOLVED in the Governing Board Session this 14th day of January 2019.



Tom Phillips, President



Kathy Kasparek, Vice-President



Mary Anne Owen, Secretary/Treasurer



Esther Armijo, Director



James Harvey, Director


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
2018

	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	114,661							
Savings	100,663							
CDs	100,000							
Investments	-							
Beginning Balance TOTAL	\$ 315,324							
REVENUES								
Water Sales (Water Use Fees)	127,000	26,391	35,027	37,476	28,576	127,471	(471)	100%
Connection/Reconnection Charges	1,000	300	250	100	150	800	200	80%
Membership and Meter Sales (Utility Service Fees)	1,215	575	50	650	598	1,873	(658)	154%
Late Fees and Penalties (Other Fines and Forfeits)	3,680	800	828	1,017	1,393	4,038	(358)	110%
Gross Receipts Tax (Other State shared taxes)	6,350	1,317	1,749	1,871	1,422	6,358	(8)	100%
Other Operating Revenue (miscellaneous - other)	1,600	471	826	399	1,168	2,863	(1,263)	179%
TOTAL	\$ 140,845	29,854	38,730	41,513	33,306	143,403	(2,558)	102%
EXPENDITURES								
Salaries - Operator, Bookkeeper, etc.	-	0	0	0	0	0	0	-
Employee Benefits and Expenses	-	0	0	0	0	0	0	-
Electricity	15,000	3,266	3,780	3,798	2,805	13,650	1,350	91%
Other Utilities - Gas, Water, Sewer, Telephone	1,800	0	0	0	0	0	1,800	0%
System Parts and Supplies	10,750	827	2,373	401	1,865	5,466	5,284	51%
System Repairs and Maintenance	29,000	6,704	6,704	6,704	6,698	26,811	2,189	92%
Vehicle Expenses	-	0	0	0	0	0	0	-
Office and Administrative Expenses	1,125	498	993	134	0	1,625	(500)	144%
Professional Services - Accounting, Engineering, Legal	37,000	8,474	11,136	8,451	8,654	36,715	285	99%
Insurance	8,200	595	595	330	0	1,520	6,680	19%
Dues, Fees, Permits and Licenses	1,750	157	146	146	656	1,105	645	63%
Taxes - Gross Receipts Tax, Water Conservation Fee	7,600	1,525	1,825	2,397	1,763	7,511	89	99%
Training	250	0	0	0	0	0	250	0%
Miscellaneous	12,050	0	0	0	7,555	7,555	4,495	63%
Annual debt service - Loan 1	22,524	5,631	5,631	5,631	5,631	22,524	0	100%
Annual debt service - Loan 2	-	-	-	-	-	0	0	-
TOTAL	\$ 147,049	27,676	33,185	27,993	35,628	124,482	22,567	85%
Ending Balance	309,120					334,244		
LESS: Operating Reserve	24,000							
Emergency Reserve	51,000							
Capital Improvement Reserve	27,276							
Debt Reserve	22,524							
Ending Available Cash Balance	\$ 184,320					\$ 334,244		

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

2-11-19
 Date

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

	Dec 31, 18
ASSETS	
Current Assets	
Checking/Savings	
Citizens Bank - Operating	66,633.14
Citizens Bank - Reserve	52,227.13
Wells Fargo-Investment	215,384.06
Total Checking/Savings	334,244.33
Accounts Receivable	
Water Customers	-14.00
Total Accounts Receivable	-14.00
Other Current Assets	
Deposits in Transit	4,423.49
Prepaid Expenses	11,208.15
Total Other Current Assets	15,631.64
Total Current Assets	349,861.97
Fixed Assets	
Buildings	180,345.70
Furniture, Fixtures & Equipment	42,058.62
Land	59,955.06
Tools	650.00
Water System/Infrastructure	2,657,538.42
Accumulated Depreciation	-1,731,058.04
Total Fixed Assets	1,209,489.76
Other Assets	
Water Rights	66,263.19
Total Other Assets	66,263.19
TOTAL ASSETS	1,625,614.92
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Operating	5,933.57
Total Accounts Payable	5,933.57
Other Current Liabilities	
Gross Receipts Tax Payable	422.58
Total Other Current Liabilities	422.58
Total Current Liabilities	6,356.15
Long Term Liabilities	
Member Service Deposits	11,017.00
Note Payable - USDA/RD	436,854.83
Total Long Term Liabilities	447,871.83
Total Liabilities	454,227.98

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

	<u>Dec 31, 18</u>
Equity	
Restricted Net Assets	
Capital Improvement Reserve	29,703.13
Debt Reserve	22,524.00
Emergency Reserve	63,000.00
Operating Reserve	<u>24,000.00</u>
Total Restricted Net Assets	139,227.13
Unrestricted Net Assets	1,185,929.97
Retained Earnings	-85,536.76
Net Income	<u>-68,233.40</u>
Total Equity	<u>1,171,386.94</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,625,614.92</u></u>

Leasburg MDWCA
Statement of Revenue and Expenses
Modified Cash Basis

	Oct - Dec 18	Jan - Dec 18
Ordinary Income/Expense		
Income		
Operating Income		
Water Usage Fees	28,576.45	127,470.79
Connection Fees	150.00	800.00
Damages/Service Calls	423.00	448.00
Installation Fees	0.00	500.00
Membership Fees	175.00	425.00
Parity Fees	0.00	500.00
Total Operating Income	29,324.45	130,143.79
Delinquency Charges		
Certified Letter Fees	374.00	1,331.00
Late Fees	973.66	2,647.16
Returned Check Fees	45.00	60.00
Total Delinquency Charges	1,392.66	4,038.16
Rent Received	0.00	1.00
Unclaimed Refunds/Payments	356.10	356.10
Total Income	31,073.21	134,539.05
Gross Profit	31,073.21	134,539.05
Expense		
Bank Service Charges	0.00	34.00
Board Expenses	0.00	1,347.94
Dues and Subscriptions	67.70	270.80
Insurance	0.00	1,519.92
Interest Expense	3,550.97	14,101.62
Licenses/Other Taxes	588.44	834.50
Office Expense	0.00	242.80
Professional Fees		
Accounting/Administrative	8,654.34	36,715.16
Total Professional Fees	8,654.34	36,715.16
Repairs and Maintenance	0.00	1,321.28
System Operator	6,697.75	26,811.22
System Supplies & Chemicals	1,831.45	3,957.98
Tools & Equipment (Non-Asset)	33.98	187.22
Utilities	2,805.10	13,649.78
Water Conservation Fees	221.47	1,064.05
Total Expense	24,451.20	102,058.27
Net Ordinary Income	6,622.01	32,480.78
Other Income/Expense		
Other Income		
Interest Income	811.51	2,505.84
Total Other Income	811.51	2,505.84

Leasburg MDWCA
Statement of Revenue and Expenses
Modified Cash Basis

	<u>Oct - Dec 18</u>	<u>Jan - Dec 18</u>
Other Expense		
Depreciation Expense	<u>24,748.39</u>	<u>103,220.02</u>
Total Other Expense	<u>24,748.39</u>	<u>103,220.02</u>
Net Other Income	<u>-23,936.88</u>	<u>-100,714.18</u>
Net Income	<u><u>-17,314.87</u></u>	<u><u>-68,233.40</u></u>

LEASBURG MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION

**SCHEDULE OF SUMMARY OF FINDINGS AND RESPONSES
DECEMBER 31, 2018**

CURRENT YEAR FINDINGS:

None

LEASBURG MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION

**SCHEDULE OF SUMMARY OF PRIOR-YEAR FINDINGS
DECEMBER 31, 2018**

PRIOR-YEAR FINDINGS:

None

LEASBURG MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION

**EXIT CONFERENCE
DECEMBER 31, 2018**

Exit Conference:

The exit conferences were held on May 29, 2019 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.