

**PICACHO MUTUAL DOMESTIC
WATER CONSUMERS ASSOCIATION**

**INDEPENDENT ACCOUNTANT'S REPORT
ON THE APPLICATION OF TIER 5
AGREED-UPON PROCEDURES
YEAR ENDED DECEMBER 31, 2016**

**PICACHO MUTUAL DOMESTIC
WATER CONSUMERS ASSOCIATION
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DECEMBER 31, 2016**

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**PICACHO MUTUAL DOMESTIC
WATER CONSUMERS ASSOCIATION
OFFICIAL ROSTER
DECEMBER 31, 2016**

BOARD OF DIRECTORS

Name	Title
Larry Covington	President
Michael Flynn	Vice President
Alan Fisher	Secretary/Treasurer
Manny Chavez	Director
Larry Kindrick	Director



SCOTT NORTHAM, CPA, PC
Certified Public Accountants

**INDEPENDENT ACCOUNTANT'S REPORT ON THE
APPLICATION OF TIER 5 AGREED-UPON PROCEDURES**

Timothy Keller, New Mexico State Auditor, and
Board of Directors of
Picacho Mutual Domestic Water Consumers Association
Las Cruces, New Mexico

We have performed the procedures enumerated below for the Picacho Mutual Domestic Water Consumers Association (Association), for the year ended December 31, 2016. The Association was determined to be a Tier 5 entity under the Audit Act, Section 12-6-3 B (4) NMSA 1978 and Section 2.2.2.16 NMAC. The procedures were agreed to by the Association through the Office of the New Mexico State Auditor. The 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 results are detailed under Scope of Procedures and Results as noted in the table of contents.

Our findings, if any, related to the procedures in the Scope of Procedures and Results are presented in the accompanying schedule of findings and responses as listed in the table of contents.

We were not engaged to, and did not conduct, an audit of the accompanying Schedule of Capital Outlay Expenditures, Originally Approved Budget, Schedule of Support, Revenues and Expenses – Final Budget and Actual (Non-GAAP), Statement of Assets, Liabilities and Net Assets – Modified Cash, or Statement of Support, Revenues and Expenses – Modified Cash, or any part thereof, the objective of which would be the expression of an opinion on the financial statements or a part thereof. 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 Picacho Mutual Domestic Water Consumers Association, the New Mexico Office of the State Auditor, the New Mexico Legislature, and the DFA-LGD and is not intended to be and should not be used by anyone other than those specified parties.

Scott Northam, CPA, PC
Ruidoso, New Mexico
February 3, 2017

**PICACHO MUTUAL DOMESTIC
WATER CONSUMERS ASSOCIATION
SCOPE OF PROCEDURES AND RESULTS
DECEMBER 31, 2016**

1. Verify the local public body's revenue calculation and tier determination documented on the form provided at www.osanmi.org under "Tiered System Reporting Main Page."	
Tier 5 Requirements – Cash basis revenues of \$50,000 or more but less than \$250,000 with capital outlay award expenditures.	The Association's cash basis revenues totaled approximately \$176,960 and the Association expended \$27,489 of capital outlay awards. The Association is correctly categorized as a Tier 5 agency.
2. Cash Procedures	
a. Determine whether bank reconciliations are being performed in a timely manner and whether all bank and investment statements are complete and on-hand.	All fiscal year bank statements were on-hand and available for compliance examination. Reconciliations were timely performed within a reasonable time after the end of the month.
b. Perform a random test of bank reconciliations for accuracy. Also, trace ending balances to the general ledger, supporting documentation, and the financial reports submitted to DFA-Local Government Division.	A review of all bank reconciliations noted the reconciliations were accurate and agreed with the general ledger and financial reports submitted to DFA.
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 Association's funds on deposit with the financial institution did not exceed the \$250,000 FDIC maximum insured coverage during the year. Therefore, the financial institution was not required to provide additional collateralization for uninsured deposits. Funds on deposit with Edward Jones are protected under SIPC insurance.
3. Capital Assets	
Verify that the local public body is performing a yearly inventory as required by Section 12-6-10 NMSA 1978.	The Association maintains and annually approves a capital asset inventory listing as required under Section 12-6-10 NMSA 1978.

**PICACHO MUTUAL DOMESTIC
WATER CONSUMERS ASSOCIATION
SCOPE OF PROCEDURES AND RESULTS
DECEMBER 31, 2016**

4. Revenue Identify the nature and amount of revenue from sources by reviewing the budget, agreements, rate schedules, and underlying documentation.	
a. Perform an analytical review; test actual revenue compared to budgeted revenue for the year for each type of revenue.	Analytical review and tests of actual revenue compared to budgeted revenue for the fiscal year noted no exceptions.
b. Amount recorded in the general ledger agrees to the supporting documentation and the bank statement..	Amounts recorded in the general ledger agreed with deposit slips, utility reports and other supporting documentation provided and the bank statements with no exceptions.
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.	A representative sample of 12 transactions noted the amounts were properly recorded on modified-cash basis as to classification, amount and period per review of supporting documentation.

5. Expenditures Select a sample of cash disbursements based on auditor judgement using the following attributes:	
a. Determine that the amount recorded as disbursed agrees to adequate supporting documentation. Verify that amount, payee, date and description agree to the vendor's invoice, purchase order, contract and canceled check, as appropriate.	A representative sample of 25 disbursement transactions noted no exceptions with respect to amount, payee, date and description.
b. Determine that disbursements were properly authorized and approved in compliance with the budget, legal requirements and established policies and procedures.	A representative sample of 25 disbursements noted no exceptions as to authorization and approval for payment, budget compliance and compliance with 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).	Disbursement testwork revealed no exceptions to the process (or request for proposal process, if applicable), purchase orders, contracts and agreements being 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).

**PICACHO MUTUAL DOMESTIC
WATER CONSUMERS ASSOCIATION
SCOPE OF PROCEDURES AND RESULTS
DECEMBER 31, 2016**

6. Journal Entries If non-routine journal entries, such as adjustments or reclassifications, are posted to the general ledger, test significant items for the following attributes:	
a. Journal entries appear reasonable and have supporting documentation.	There were no non-routine journal entries posted to the general ledger and all reviewed journal entries had 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.	There were no non-routine journal entries posted to the general ledger. The Association has policies in place that require any journal entries made by the contract bookkeeper to be reviewed and approved by the Treasurer.

7. Budget Obtain the original fiscal year budget and all budget amendments made throughout the fiscal year and perform the following:	
a. Verify, through a review of the minutes and correspondence, that the original budget and subsequent budget adjustments were approved by the local body's governing body and DFA-LGD.	The original budget was approved by the Board of Directors and DFA-LGD. There were no subsequent budget adjustments for the fiscal year.
b. Determine if the total actual expenditures exceeded the final budget at the legal level of budgetary control; if so, report a compliance finding.	Total actual expenditures did not exceed the final budget at the total fund level, the legal level of budgetary control.
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 fund.	The Schedule of Support, Revenue and Expenses – Budget and Actual on the modified-cash basis follows these procedures as noted in the table of contents.

8. Capital Outlay Appropriations Request and review all state-funded capital outlay awards, joint powers agreements, correspondence and other relevant documentation for any capital outlay award funds expended by the recipient during the fiscal year. Test all capital outlay expenditures during the fiscal year to:	
a. Determine that the amount recorded as disbursed agrees to the adequate supporting documentation. Verify that amount, payee, date and description to agree to the purchase order, contract, vendor's invoice and canceled check, as appropriate.	The disbursement of capital outlay funds was handled for the Association by NMFA which disbursed the funds either directly to the vendor, or as a reimbursement to the Association. All documentation provided to the Association by NMFA agreed to the disbursements.

**PICACHO MUTUAL DOMESTIC
WATER CONSUMERS ASSOCIATION
SCOPE OF PROCEDURES AND RESULTS
DECEMBER 31, 2016**

8. Capital Outlay Appropriations (Cont.) Request and review all state-funded capital outlay awards, joint powers agreements, correspondence and other relevant documentation for any capital outlay award funds expended by the recipient during the fiscal year. Test all capital outlay expenditures during the fiscal year to:	
b. Determine that the cash disbursements were properly authorized and approved in accordance with the budget, legal requirements and established policies and procedures.	The disbursement was properly authorized by the Association and approved by NMFA for disbursement.
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 and State Purchasing Regulations (Section 131-28 through 13-1-199 NMSA 1978 and 1.4.1 NMAC.	Bid processes were conducted in a prior year in regards to this capital outlay project. The invoices presented for reimbursement during the fiscal year were properly processed in accordance with the New Mexico Procurement Code and State Purchasing Regulations.
d. Determine the physical existence (by observation) of the capital asset based on expenditures to date.	Because of the nature of the disbursements for engineering services, the capital asset is unable to be physically inspected other than engineering plans.
e. Verify that status reports were submitted to the state agency per terms of the agreement and amounts in the status report agree with the general ledger and supporting documentation.	All status reports were properly completed and submitted.
f. If the project was funded in advance, determine if the award balance (and cash balance) appropriately reflects the percentage of completion based on the project schedule and expenditures to date	Funds are in the custody of NMFA until requested by the contractor or the Association. Funding can either be direct-to-vendor or on a reimbursement basis to the Association.
g. If the project is complete, determine if there is an unexpected balance and whether it was reverted per statute and agreement with the grantor.	Project is not complete as of the fiscal year end.
h. Determine whether cash received for the award was accounted for in a separate fund or a separate bank account that is non-interest bearing if so required by the capital outlay award agreement.	The cash reimbursement from NMFA is deposited into a separate, non-interest bearing account from the main operating account. Any reimbursement to the Association's main operating account is then transferred from the separate grant account to the main operating account.
i. Determine whether reimbursement requests were properly supported by costs incurred by the recipient. Determine whether the costs were paid by the local public body prior to the request of the reimbursement	Two reimbursement requests were initiated by the Association during the fiscal year. The requests were properly supported with underlying invoices paid before the reimbursement was requested.

**PICACHO MUTUAL DOMESTIC
WATER CONSUMERS ASSOCIATION
SCOPE OF PROCEDURES AND RESULTS
DECEMBER 31, 2016**

9. Other	
<p>If information comes to the IPA's attention (regardless of materiality) indicating any fraud, illegal acts, noncompliance, or any internal control deficiencies, such instances must be disclosed in the report as required by Section 12-6-6 NMSA 1978. The findings must include the required content per Section 2.2.2.10(I)(3)(C) NMAC.</p>	<p>No other or additional exceptions were noted when applying the procedures described above (regardless of materiality) indicating any fraud, illegal acts or internal control deficiencies.</p>

**PICACHO MUTUAL DOMESTIC
WATER CONSUMERS ASSOCIATION
SCHEDULE OF CAPITAL OUTLAY EXPENDITURES
YEAR ENDED DECEMBER 31, 2016**

Grant Source	Program or Grant Number	Execution Date	Reversion Date	Grant/ Loan Amount	Prior Years Expenditures	Current Year Expenditures	Remaining Grant/Loan Expenditures
New Mexico Finance Authority	CIF-2999	3/31/2014	3/31/2017				
Grant Amount				\$ 566,491	\$ 460,997	\$ -	\$ 105,494
Loan Amount				62,944	62,944	-	-
New Mexico Finance Authority	CIF-3172	6/26/2015	6/26/2018				
Grant Amount				233,490	-	1,546	231,944
Loan Amount				25,943	-	25,943	-
United States Department of Agriculture	91-06	8/8/2011	6/1/2017				
Rural Utility Development				928,000	905,217	-	22,783
				<u>\$ 1,816,868</u>	<u>\$ 1,429,158</u>	<u>\$ 27,489</u>	<u>\$ 360,221</u>

SM

Picacho MDWCA
Profit Loss Budget Overview
 January through December 2016

Operating Income/Expense

Income

Operating Revenues

Water Sales	152,337.00
Certified Letter Fees	2,000.00
Late Fees	2,500.00
Reconnection Fees	750.00
Total Operating Revenues	157,587.00

Total Income 157,587.00

Expense

Operating Expenses

Annual Meeting	45.00
Bank Service Charges	50.00
Chemicals	8,000.00
Conference/Training	550.00
Contract Labor	2,000.00
Depreciation Expense	130,000.00
Dues and Subscriptions	1,000.00
Equipment (Non-Asset<\$5,000)	5,000.00
Equipment Rental	1,500.00
General Expenses	1,500.00
Insurance	6,000.00
Internet Service	3,000.00
Licenses and Permits	35.00
Meals and Entertainment-100%	500.00
Office Expenses	500.00
Professional Fees	
Accounting	30,000.00
Engineering	1,000.00
Legal Fees	1,000.00
Tier Reporting/Audit	2,500.00
Property Taxes	600.00
Rent	15.00
System Operator	40,000.00
System Repairs and Parts	5,000.00
Travel Reimbursement	500.00
Utilities	16,000.00
Water Conservation Fees	1,500.00

Picacho MDWCA
Profit Loss Budget Overview
 January through December 2016

Water Testing	100.00
Total Operating Expenses	<u>257,895.00</u>
Total Expense	<u>257,895.00</u>
Net Operating Income	-100,308.00
Other Income/Expense	
Other Income	
Nonoperating Revenues	
NMFA	0.00
RUS Loan	0.00
RUS Colonias Grant	0.00
Interest Income	15,000.00
Total Nonoperating Revenues	<u>15,000.00</u>
Total Other Income	<u>15,000.00</u>
Net Other Income	<u>15,000.00</u>
Total Net Income	<u><u>-85,308.00</u></u>

Review and Approved:

Randy L. Cagle
 Signature

11/18/15
 Date

APPROVED PURSUANT TO
 CHAPTER 117, § 10.02, 1973
 LEGISLATIVE ACTS, CHAPTER 117, § 10.02 ON
 DATE 2/17/16
 BY *Suzan M. Rodriguez*
 DEPT. OF FINANCE AND ADMINISTRATION

Picacho MDWCA
Statement of Support, Revenues & Expenses-Budget vs. Actual
 January through December 2016

	Jan - Dec 16	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Operating Revenues				
Water Sales	162,838.73	152,337.00	10,301.73	106.8%
Certified Letter Fees	1,562.00	2,000.00	-438.00	78.1%
Installation Fees	3,000.00			
Late Fees	3,597.99	2,500.00	1,097.99	143.9%
Membership/Transfer Fees	350.00			
Meter Tampering Fee	0.00			
Miscellaneous Fees	25.00			
Parity Fees	900.00			
Reconnection Fees	1,150.00	750.00	400.00	153.3%
Returned Check Fees	35.00			
Service Call	522.64			
Water Rights Acquisition Fee	3,000.00			
Water Tests	178.17			
Total Operating Revenues	<u>176,959.53</u>	<u>157,587.00</u>	<u>19,372.53</u>	<u>112.3%</u>
Total Income	176,959.53	157,587.00	19,372.53	112.3%
Expense				
Operating Expenses				
Annual Meeting	0.00	45.00	-45.00	0.0%
Bad Debt	228.66			
Bank Service Charges	25.80	50.00	-24.20	51.6%
Chemicals	5,635.06	8,000.00	-2,364.94	70.4%
Conference/Training	0.00	550.00	-550.00	0.0%
Contract Labor	1,164.36	2,000.00	-835.64	58.2%
Depreciation Expense	97,246.49	130,000.00	-32,753.51	74.8%
Dues and Subscriptions	974.20	1,000.00	-25.80	97.4%
Equipment (Non Asset < \$500)	267.06	5,000.00	-4,732.94	5.3%
Equipment Rental	866.50	1,500.00	-633.50	57.8%
General Expenses	0.00	1,500.00	-1,500.00	0.0%
Insurance	6,199.00	6,000.00	199.00	103.3%
Internet Service	2,719.16	3,000.00	-280.84	90.6%
Licenses and Permits	10.00	35.00	-25.00	28.8%
Meals and Entertainment-100%	390.06	500.00	-109.94	78.0%
Office Expenses	126.00	500.00	-374.00	25.2%
Other Taxes	-0.03			
Professional Fees				
Accounting	36,244.43	30,000.00	6,244.43	120.8%
Engineering	0.00	1,000.00	-1,000.00	0.0%
Legal Fees	7,168.11	1,000.00	6,168.11	716.8%
Tier Reporting/Audit	2,437.03	2,500.00	-62.97	97.5%
Professional Fees - Other	0.00			
Total Professional Fees	<u>45,849.57</u>	<u>34,500.00</u>	<u>11,349.57</u>	<u>132.9%</u>
Property Taxes	578.48	600.00	-21.52	96.4%
Rent	13.56	15.00	-1.44	90.4%
System Operator	37,080.76	40,000.00	-2,919.24	92.7%
System Repairs and Parts	5,749.50	5,000.00	749.50	115.0%
Travel Reimbursement	0.00	500.00	-500.00	0.0%
Utilities	13,168.41	16,000.00	-2,831.59	82.3%
Water Conservation Fees	1,067.16	1,500.00	-432.84	71.1%
Water Testing	67.15	100.00	-32.85	67.2%
Total Operating Expenses	<u>219,426.91</u>	<u>257,895.00</u>	<u>-38,468.09</u>	<u>85.1%</u>
Total Expense	219,426.91	257,895.00	-38,468.09	85.1%
Net Ordinary Income	-42,467.38	-100,308.00	57,840.62	42.3%
Other Income/Expense				
Other Income				
Nonoperating Revenues				
Interest Income	18,135.51	15,000.00	3,135.51	120.9%
Rebates	3,125.74			
Site Lease	650.00			
Total Nonoperating Revenues	<u>21,911.25</u>	<u>15,000.00</u>	<u>6,911.25</u>	<u>146.1%</u>
Total Other Income	21,911.25	15,000.00	6,911.25	146.1%

For Board of Directors Use Only

Picacho MDWCA
Statement of Support, Revenues & Expenses-Budget vs. Actual
 January through December 2016

	Jan - Dec 16	Budget	\$ Over Budget	% of Budget
Other Expense				
Nonoperating Expenses				
Bond Premium	5,725.14			
Loan Interest	29,112.77			
Unrealzd Loss (Gain) on Invest.	-5,073.69			
Total Nonoperating Expenses	29,764.22			
Total Other Expense	29,764.22			
Net Other Income	-7,852.97	15,000.00	-22,852.97	-52.4%
Net Income	-50,320.35	-85,308.00	34,987.65	59.0%

Picacho MDWCA
Statement of Assets, Liabilities, and Net Assets
Modified Cash Basis

	Dec 31, 16
ASSETS	
Current Assets	
Checking/Savings	
Citizens Bank - Operating	35,095.82
Citizens Bank - Colonias	186.46
Citizens Bank - Construction	86.98
Edward Jones	
Current Principal Balance	418,806.73
Trading Allowance	26,993.14
Total Edward Jones	445,799.87
Total Checking/Savings	481,169.13
Accounts Receivable	
Water Customers	3,308.47
Allowance for Bad Debts	-250.00
NMFA 2999-CIF Receivable	105,494.26
NMFA 3172-CIF Receivable	231,943.98
USDA 2014 Colonias Grant Rcvbl	22,783.04
Total Accounts Receivable	363,279.75
Other Current Assets	
Current Work In Progress	
Emergency Connection Project	30,543.35
Total Current Work in Progress	30,543.35
Prepaid Expenses	6,670.32
Undeposited Funds	3,840.85
Total Other Current Assets	41,054.52
Total Current Assets	885,503.40
Fixed Assets	
Supplemental Well (Trucha)	444,433.15
2015 System Improvements	2,795,671.30
2016 System Improvements	7,425.12
Buildings, Tanks, and Fencing	183,587.74
Land	3,932.37
Utility Lines, Meters	233,470.91
Well, Pumps	238,808.80
Accumulated Depreciation	-707,860.04
Total Fixed Assets	3,199,469.35
TOTAL ASSETS	4,084,972.75
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	7,615.49
Property Taxes Payable	286.74
Total Accounts Payable	7,902.23
Other Current Liabilities	
Gross Receipts Tax Payable	560.35
Hydrant Meter Deposit	1,400.00
Total Other Current Liabilities	1,960.35
Total Current Liabilities	9,862.58

Picacho MDWCA
Statement of Assets, Liabilities, and Net Assets
Modified Cash Basis

	Dec 31, 16
Long Term Liabilities	
NMFA Loan No. 2999-CIF	56,648.00
NMFA Loan No. 3172-CIF	24,732.00
USDA/RD Loan No. 91 / 06	889,035.01
Total Long Term Liabilities	970,415.01
Total Liabilities	980,277.59
Equity	
Board Designated Reserves	
Emergency Reserve	12,800.00
Total Board Designated Reserves	12,800.00
USDA Designated Reserves	
Replacemnt Rsv-Sht Lived Assets	212,000.00
Debt Service Reserve	60,316.00
Operation and Maintenance	32,000.00
Total USDA Designated Reserves	304,316.00
Unrestricted Fund Balance	367,882.26
Parity Fees	450.00
Retained Earnings	2,469,567.25
Net Income	-50,320.35
Total Equity	3,104,695.16
TOTAL LIABILITIES & EQUITY	4,084,972.75

Picacho MDWCA
Statement of Support, Revenues and Expenses
Modified Cash Basis

	Jan - Dec 16
Ordinary Income/Expense	
Income	
Operating Revenues	
Water Sales	162,638.73
Certified Letter Fees	1,562.00
Installation Fees	3,000.00
Late Fees	3,597.99
Membership/Transfer Fees	350.00
Meter Tampering Fee	0.00
Miscellaneous Fees	25.00
Parly Fees	900.00
Reconnection Fees	1,150.00
Returned Check Fees	35.00
Service Call	522.64
Water Rights Acquisition Fee	3,000.00
Water Tests	178.17
Total Operating Revenues	176,959.53
Total Income	176,959.53
Expense	
Operating Expenses	
Bad Debt	228.66
Bank Service Charges	25.80
Chemicals	5,635.06
Contract Labor	1,164.36
Depreciation Expense	97,246.49
Dues and Subscriptions	974.20
Equipment (Non Asset < \$500)	267.06
Equipment Rental	866.50
Insurance	6,199.00
Internet Service	2,719.16
Licenses and Permits	10.00
Meals and Entertainment-100%	390.06
Office Expenses	126.00
Other Taxes	-0.03
Professional Fees	
Accounting	36,244.43
Legal Fees	7,168.11
Tier Reporting/Audit	2,437.03
Professional Fees - Other	0.00
Total Professional Fees	45,849.57
Property Taxes	578.48
Rent	13.56
System Operator	37,080.76
System Repairs and Parts	5,749.50
Utilities	13,168.41
Water Conservation Fees	1,067.16
Water Testing	67.15
Total Operating Expenses	219,426.91
Total Expense	219,426.91
Net Ordinary Income	-42,467.38
Other Income/Expense	
Other Income	
Nonoperating Revenues	
Interest Income	18,135.51
Rebates	3,125.74
Site Lease	650.00
Total Nonoperating Revenues	21,911.25

Picacho MDWCA
Statement of Support, Revenues and Expenses
Modified Cash Basis

	<u>Jan - Dec 16</u>
Total Other Income	21,911.25
Other Expense	
Nonoperating Expenses	
Bond Premium	5,725.14
Loan Interest	29,112.77
Unrealzd Loss (Gain) on Invest.	<u>-5,073.69</u>
Total Nonoperating Expenses	<u>29,764.22</u>
Total Other Expense	<u>29,764.22</u>
Net Other Income	<u>-7,852.97</u>
Net Income	<u><u>-50,320.35</u></u>

**PICACHO MUTUAL DOMESTIC
WATER CONSUMERS ASSOCIATION
SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2016**

FINANCIAL STATEMENT FINDINGS

CURRENT YEAR FINDINGS:

NONE

PRIOR YEAR FINDINGS:

NONE

**PICACHO MUTUAL DOMESTIC
WATER CONSUMERS ASSOCIATION
EXIT CONFERENCE
DECEMBER 31, 2016**

The contents of this report were discussed with the Picacho Mutual Domestic Water Consumers Association representatives on March 23, 2017. The following individuals were present for the conference:

Picacho Mutual Domestic Water Consumers Association

Larry Covington - President
Kathy Joens – Mesilla Valley Accounting, PC

Scott Northam, CPA, PC

Scott Northam, CPA

The agreed-upon procedures report of the Picacho Mutual Domestic Water Consumers Association was prepared by Scott Northam, CPA, PC, from original books and records provided by and with assistance from the management of the Association.