



Clifford, Ross & Cooper, CPA's LLC

Certified Public Accountants

Serving Las Cruces and El Paso since 1976

PICACHO MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION

AGREED-UPON PROCEDURES

DECEMBER 31, 2019

Las Cruces, NM 88011
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P. 575-524-1040
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PICACHO MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION

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DECEMBER 31, 2019**

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PICACHO MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION

**OFFICIAL ROSTER
DECEMBER 31, 2019**

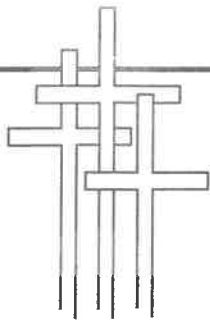
MICHAEL FLYNN, PRESIDENT

LARRY COVINGTON, VICE-PRESIDENT

ALAN FISHER, SECRETARY/TREASURER

LARRY KINDRICK, DIRECTOR

MANNY CHAVEZ, 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. Colón
Picacho Mutual Domestic Water Consumers Association
Las Cruces, New Mexico

We have performed the procedures shown in Exhibit A, attached to this report. The procedures were agreed to by Picacho 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 Picacho Mutual Domestic Water Consumers Association as of December 31, 2019. Picacho 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 Picacho 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 7, 2020

Never Underestimate the Value of a CPA

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PICACHO 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, 2019: Citizens Bank - Operating - \$23,406.33; Edward Jones - \$471,833.63. 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:									
		We determined that 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, 2019 were reviewed for balances.									
		Finding:									
		We determined that bank account balances did not exceed the uninsured limits during the year ended December 31, 2019 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:									
		We determined that 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.									

PICACHO 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	\$ 166,000		\$ 160,406			\$ (5,594)		-3%	
		Connection Fees	\$ 1,500		\$ 1,300			\$ (200)		-13%	
		Membership Fees	\$ 12,500		\$ 656			\$ (11,844)		-95%	
		Delinquency Charges	\$ 6,500		\$ 5,678			\$ (822)		-13%	
		Gross Receipts tax	\$ 8,300		\$ 8,021			\$ (279)		-3%	
		Other oper. Revenues	\$ 32,500		\$ 28,922			\$ (3,578)		-11%	
The following items were selected for procedures 3(b)-3(c):											
	Receipts Date	Payer		Description				Amount			
	2/6/2019	Client fees		Revenue-Water				\$ 3,883.11			
	2/13/2019	Client fees		Revenue-Water				\$ 1,027.43			
	2/22/2019	Client fees		Revenue-Water				\$ 2,053.66			
	2/27/2019	Client fees		Revenue-Water				\$ 2,819.83			
	3/6/2019	Client fees		Revenue-Water				\$ 5,151.50			
	4/4/2019	Client fees		Revenue-Water				\$ 898.31			
	4/15/2019	Client fees		Revenue-Water				\$ 1,389.44			
	4/22/2019	Client fees		Revenue-Water				\$ 3,671.78			
	4/26/2019	Client fees		Revenue-Water				\$ 1,362.26			
	5/6/2019	Client fees		Revenue-Water				\$ 5,161.22			
	5/30/2019	Client fees		Revenue-Water				\$ 3,426.77			
	6/6/2019	Client fees		Revenue-Water				\$ 6,110.98			
	6/12/2019	Client fees		Revenue-Water				\$ 1,467.72			
	6/19/2019	Client fees		Revenue-Water				\$ 1,708.36			
	6/27/2019	Client fees		Revenue-Water				\$ 5,086.07			
	8/7/2019	Client fees		Revenue-Water				\$ 10,020.49			
	8/16/2019	Client fees		Revenue-Water				\$ 2,394.99			
	8/23/2019	Client fees		Revenue-Water				\$ 5,163.75			
	8/30/2019	Client fees		Revenue-Water				\$ 6,101.56			
	9/6/2019	Client fees		Revenue-Water				\$ 9,217.14			
	10/4/2019	Client fees		Revenue-Water				\$ 6,526.19			
	10/11/2019	Client fees		Revenue-Water				\$ 2,759.37			
	10/22/2019	Client fees		Revenue-Water				\$ 5,780.59			
	10/29/2019	Client fees		Revenue-Water				\$ 3,015.15			
	12/5/2019	Client fees		Revenue-Water				\$ 5,581.42			
	12/11/2019	Client fees		Revenue-Water				\$ 1,727.25			
	12/19/2019	Client fees		Revenue-Water				\$ 3,013.19			
	12/30/2019	Client fees		Revenue-Water				\$ 2,297.33			

PICACHO 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 dollare 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					
		1/16/2019	ACH	El Paso Electric	Utilities	\$ 1,054.55					
		1/16/2019	6022	Granite Mountain Accounting	Accounting services	\$ 2,694.13					
		1/16/2019	6023	Pure Operations	Operations & Maintenance	\$ 4,230.99					
		2/20/2019	ACH	Verizon Wireless	Telephone	\$ 106.21					
		2/20/2019	ACH	Centurylink	Telephone	\$ 121.67					
		2/20/2019	6029	Pure Operations	Operations & Maintenance	\$ 5,611.20					
		3/20/2019	ACH	NM Taxation & Revenue	Gross receipts tax	\$ 498.60					
		3/20/2019	6034	Scott Northam, CPA	Accounting services	\$ 2,439.84					
		4/17/2019	6036	DPC Industries	Operations & Maintenance	\$ 40.00					
		4/17/2019	ACH	El Paso Electric	Utilities	\$ 1,145.63					
		4/17/2019	6039	Granite Mountain Accounting	Accounting services	\$ 2,628.27					
		4/17/2019	6040	New Mexico 811	Dues	\$ 79.01					
		4/17/2019	ACH	NM Secretary of State	Fee	\$ 10.00					
		5/15/2019	6042	DPC Industries	Operations & Maintenance	\$ 40.00					
		5/15/2019	6044	Pure Operations	Operations & Maintenance	\$ 844.30					
		5/15/2019	6045	Pure Operations	Operations & Maintenance	\$ 2,853.38					
		5/15/2019	ACH	Centurylink	Telephone	\$ 121.67					
		6/19/2019	ACH	El Paso Electric	Utilities	\$ 1,209.61					
		6/19/2019	6047	Pure Operations	Operations & Maintenance	\$ 4,660.74					
		6/19/2019	6052	NM Finance Authority	Loan Payment	\$ 3,147.00					
		6/19/2019	ACH	NM Taxation & Revenue	Gross receipts tax	\$ 690.84					
		7/16/2019	6055	Granite Mountain Accounting	Accounting services	\$ 2,635.07					
		7/16/2019	6056	Pure Operations	Operations & Maintenance	\$ 3,671.19					
		7/16/2019	6060	Stantec Consulting Svs.	Engineering	\$ 2,594.98					
		8/21/2019	6063	Pure Operations	Operations & Maintenance	\$ 4,203.99					
		8/21/2019	6065	Granite Mountain Accounting	Accounting services	\$ 3,126.63					
		8/21/2019	6068	Stantec Consulting Svs.	Engineering	\$ 7,533.74					
		9/18/2019	ACH	NM Taxation & Revenue	Gross receipts tax	\$ 1,040.37					
		9/18/2019	6071	Postmaster	Stamps	\$ 148.00					
		9/18/2019	6073	Stantec Consulting Svs.	Engineering	\$ 26,103.66					
		9/18/2019	6075	Pure Operations	Operations & Maintenance	\$ 2,798.33					

PICACHO 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)										
	12/31/2019	Monthly Depreciation Expense		Depreciation Expense		\$ 9,010.20					
		Monthly Depreciation Expense		Accumulated Depreciation							\$ 9,010.20
	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:										
	We determined that no discrepancies were 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 2020-2 was used in submitting the final report to DFA.									
	Finding:										
	We determined that no discrepancies were 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
PICACHO 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, 2019

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget Positive/(Negative)
REVENUES				
Water sales	\$ 166,000	\$ 166,000	\$ 160,406	\$ (5,594)
Connection/Reconnection charges	1,500	1,500	1,300	(200)
Membership and meter sales	12,500	12,500	6,056	(6,444)
Late fees and penalties	6,500	6,500	5,678	(822)
Gross receipts tax	8,300	8,300	8,021	(279)
Other operating revenue	32,500	32,500	28,922	(3,578)
Total revenues	227,300	227,300	210,383	(16,917)
EXPENDITURES				
Electricity	17,000	17,000	13,764	3,236
Other utilities	3,000	3,000	2,637	363
System parts and supplies	24,000	24,000	12,168	11,832
System repairs & maintenance	50,000	50,000	35,952	14,048
Office and administrative expense	-	-	148	(148)
Professional services	45,500	45,500	85,471	(39,971)
Insurance	7,000	7,000	6,508	492
Dues, fees, permits and licenses	1,150	1,150	1,284	(134)
Taxes - gross receipts tax, water conservation fee	10,050	10,050	9,324	726
Training	550	550	-	550
Miscellaneous	73,710	73,710	15,265	58,445
Total expenditures	231,960	231,960	182,521	49,439
Excess (deficiency) of revenues over expenditures	(4,660)	(4,660)	27,862	32,522
NONOPERATING REVENUES AND EXPENDITURES				
Interest	-	-	-	-
Site lease	-	-	-	-
Annual debt service	(45,994)	(45,994)	(45,993)	1
Capital Improvements	-	-	-	-
Total nonoperating revenues & expenditures	(45,994)	(45,994)	(45,993)	1
Excess (deficiency) of revenues and other financing sources over expenditures and other financing sources	(50,654)	(50,654)	\$ (18,131)	\$ 32,523
Budgeted cash carryover	50,654	50,654		
	<u>\$ -</u>	<u>\$ -</u>		

SUSANA MARTINEZ
GOVERNOR



EXHIBIT C

DUFFY RODRIGUEZ
CABINET SECRETARY

RICK LOPEZ
DIRECTOR

JOLENE SLOWEN
DEPUTY DIRECTOR

STATE OF NEW MEXICO
DEPARTMENT OF FINANCE AND ADMINISTRATION
LOCAL GOVERNMENT DIVISION
Bataan Memorial Building ♦ 407 Galisteo St. ♦ Suite 202 ♦ Santa Fe, NM 87501
PHONE (505) 827-4950 ♦ FAX (505) 827-4948

December 13, 2018

Mr. Larry Covington, President
Picacho Mutual Domestic Water Consumers Association
P.O. Box 1468
Las Cruces, NM 88001

Dear Mr. Covington:

In accordance with Section 6-6-2(B) NMSA 1978, the Department of Finance and Administration, Local Government Division (LGD) has examined the proposed budget of your local government entity for Calendar Year 2019 and hereby grants approval and certification for use. Sufficient resources appear to be available to cover proposed budgeted expenditures.

Approval and certification of your final budget is contingent upon submission of the following by no later than **January 31, 2019**:

- A resolution approved by the governing body adopting the Calendar Year 2019 operating budget
- The December 31, 2018 4th quarter financial report
- A resolution by the governing body approving the December 31, 2018 4th quarter financial report
- Any adjustments/revisions discussed

Please note final budget certification will be "conditional" per Tiered System rule, 2.2.2.16B NMAC, if required agreed upon procedures for Calendar Year 2017 has not been filed with the Office of the State Auditor.

If you have any questions regarding this matter, please call Tom Dixon of my staff at 505-827-8059.

Sincerely,


Rick Lopez, Director
Local Government Division

xc: file

EXHIBIT C

MDWCA Name:
Mailing Address:
Email Address:
Phone number:

Picacho MDWCA
 P.O. Box 1468 Las Cruces, NM 88004
 kwanda@mdwcaonline.com
 575-526-2445

Calendar Year
2019

	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	22,497							
Savings	-							
CDs	-							
Investments	456,197							
Beginning Balance TOTAL	\$ 478,694							
REVENUES								
Water Sales (Water Use Fees)	166,000	27,549	40,155	54,607	38,090	160,406	5,594	97%
Connection/Reconnection Charges	1,500	300	300	300	400	1,300	200	87%
Membership and Meter Sales (Utility Service Fees)	12,500	3,025	100	2,905	25	6,056	6,444	48%
Late Fees and Penalties (Other Fines and Forfeits)	6,500	1,280	1,561	1,525	1,302	5,678	822	87%
Gross Receipts Tax (Other State shared taxes)	8,300	1,378	2,008	2,730	1,905	8,021	279	97%
Other Operating Revenue (miscellaneous - other)	32,500	5,663	6,007	5,492	11,758	28,922	3,579	89%
TOTAL	\$ 227,300	39,204	50,131	67,562	63,487	210,383	16,917	93%
EXPENDITURES								
Salaries - Operator, Bookkeeper, etc.	0	0	0	0	0	0	0	-
Employee Benefits and Expenses	0	0	0	0	0	0	0	-
Electricity	17,000	2,155	3,333	4,376	3,900	13,764	3,236	81%
Other Utilities - Gas, Water, Sewer, Telephone	3,000	562	684	696	698	2,637	363	88%
System Parts and Supplies	24,000	2,050	3,372	2,188	4,557	12,168	11,832	51%
System Repairs and Maintenance	60,000	7,830	8,627	8,807	9,888	35,952	14,048	72%
Vehicle Expenses	0	0	0	0	0	0	0	-
Office and Administrative Expenses	500	0	0	148	0	148	352	30%
Professional Services - Accounting, Engineering, Legal	45,600	8,089	10,534	58,753	10,115	85,471	(39,871)	188%
Insurance	7,000	0	0	0	6,508	6,508	492	93%
Dues, Fees, Permits and Licenses	1,150	189	89	79	948	1,284	(134)	112%
Taxes - Gross Receipts Tax, Water Conservation Fee	10,050	1,598	1,957	3,114	2,055	9,324	726	93%
Training	550	0	0	0	0	0	550	0%
Miscellaneous	73,710	2,588	11,058	(6,653)	8,281	15,265	58,445	21%
Loans								
Annual debt service - Loan 1	41,544	10,388	10,388	10,388	10,388	41,544	0	100%
Annual debt service - Loan 2	4,450	0	0	0	4,449	4,449	1	100%
TOTAL	\$ 278,454	35,417	51,040	79,895	62,162	228,514	49,940	82%
Ending Balance	427,540					460,563		
LESS: Operating Reserve	30,000					30,000		
Emergency Reserve	80,000					80,000		
Capital Improvement Reserve	240,000					240,000		
Debt Reserve	45,994					45,994		
Ending Available Cash Balance	\$ 31,546					\$ 54,569		

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



President/Chairperson

01/15/2020

Date

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

	Dec 31, 19
ASSETS	
Current Assets	
Checking/Savings	
Citizens Bank - Operating	23,406.33
Edward Jones	
Current Principal Balance	437,157.15
Trading Allowance	33,211.14
Edward Jones - Other	1,059.01
Total Edward Jones	471,427.30
Total Checking/Savings	494,833.63
Accounts Receivable	
Water Customers	1,867.15
Allowance for Bad Debts	-250.00
Total Accounts Receivable	1,617.15
Other Current Assets	
Accrued Interest Purchased	149.49
Prepaid Expenses	7,292.29
Undeposited Funds	5,823.30
Total Other Current Assets	13,265.08
Total Current Assets	509,715.86
Fixed Assets	
Supplemental Well (Trucha)	444,433.15
2015 System Improvements	2,795,671.30
2016 System Improvements	134,555.62
2018 System Improvements	155,856.25
Buildings, Tanks, and Fencing	183,587.74
Land	3,932.37
Utility Lines, Meters	249,309.61
Well, Pumps	238,808.80
Accumulated Depreciation	-1,023,288.81
Total Fixed Assets	3,182,886.03
TOTAL ASSETS	3,692,601.89
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	-16.25
Total Accounts Payable	-16.25
Other Current Liabilities	
Gross Receipts Tax Payable	442.92
Hydrant Meter Deposit	1,050.00
Total Other Current Liabilities	1,492.92
Total Current Liabilities	1,476.67

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

	Dec 31, 19
Long Term Liabilities	
NMFA Loan No. 2999-CIF	47,206.00
NMFA Loan No. 3172-CIF	20,826.00
USDA/RD Loan No. 91 / 06	850,071.98
Total Long Term Liabilities	918,103.98
Total Liabilities	919,580.65
Equity	
Board Designated Reserves	
Emergency Reserve	80,000.00
Total Board Designated Reserves	80,000.00
USDA Designated Reserves	
Replacemnt Rev-Sht Lived Assets	290,000.00
Debt Service Reserve	45,994.00
Operation and Maintenance	30,000.00
Total USDA Designated Reserves	365,994.00
Unrestricted Fund Balance	114,008.44
Parity Fees	900.00
Retained Earnings	2,300,476.47
Net Income	-88,357.67
Total Equity	2,773,021.24
TOTAL LIABILITIES & EQUITY	3,692,601.89

Picacho MDWCA

Statement of Support, Revenues and Expenses

Modified Cash Basis

	Oct - Dec 19	Jan - Dec 19
Ordinary Income/Expense		
Income		
Operating Revenues		
Water Sales	38,095.80	160,406.40
Certified Letter Fees	363.00	1,648.67
Installation Fees	0.00	4,358.09
Late Fees	939.38	3,709.59
Membership/Transfer Fees	25.00	200.00
Meter Tampering Fee	0.00	250.00
Reconnection Fees	400.00	1,300.00
Returned Check Fees	0.00	70.00
Service Call	0.00	756.57
Water Rights Acquisition Fee	0.00	1,500.00
Total Operating Revenues	39,823.18	174,197.32
Total Income	39,823.18	174,197.32
Expense		
Operating Expenses		
Bad Debt	0.00	995.02
Bank Service Charges	30.00	34.95
Chemicals	3,088.89	6,815.76
Depreciation Expense	27,665.06	108,698.84
Dues and Subscriptions	947.85	1,274.88
Equipment (Non Asset < \$500)	894.12	894.12
Equipment Rental	243.71	568.64
Insurance	6,508.00	6,508.00
Internet Service	695.58	2,636.69
Licenses and Permits	0.00	10.00
Office Expenses	0.00	148.00
Other Taxes	-0.17	-0.68
Professional Fees		
Accounting	8,006.65	32,551.50
Engineering	2,108.31	52,919.50
Total Professional Fees	10,114.96	85,471.00
Property Taxes	380.84	380.84
Rent	3.39	13.58
System Operator	9,688.23	35,952.40
System Repairs and Parts	329.87	3,889.26
Utilities	3,899.55	13,763.68
Water Conservation Fees	328.86	1,264.76
Total Operating Expenses	64,818.74	269,319.72
Total Expense	64,818.74	269,319.72
Net Ordinary Income	-24,995.56	-95,122.40
Other Income/Expense		
Other Income		
Nonoperating Revenues		
Interest Income	4,808.48	19,214.15
Site Lease	600.00	2,400.00
Total Nonoperating Revenues	5,208.48	21,614.15
Total Other Income	5,208.48	21,614.15

EXHIBIT D
Picacho MDWCA

Statement of Support, Revenues and Expenses
Modified Cash Basis

	<u>Oct - Dec 19</u>	<u>Jan - Dec 19</u>
Other Expense		
Line Extension Reimbursement	0.00	565.39
Nonoperating Expenses		
Bond Premium	0.00	-1,291.80
Loan Interest	6,842.93	28,188.97
Unrealzd Loss (Gain) on Invest.	4,547.36	-12,613.14
Total Nonoperating Expenses	<u>11,390.29</u>	<u>14,284.03</u>
Total Other Expense	<u>11,390.29</u>	<u>14,849.42</u>
Net Other Income	<u>-6,181.81</u>	<u>6,764.73</u>
Net Income	<u><u>-31,177.37</u></u>	<u><u>-88,357.67</u></u>

PICACHO MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION

**SCHEDULE OF SUMMARY OF FINDINGS AND RESPONSES
DECEMBER 31, 2019**

CURRENT YEAR FINDINGS:

None

PICACHO MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION

**SCHEDULE OF SUMMARY OF PRIOR-YEAR FINDINGS
DECEMBER 31, 2019**

PRIOR-YEAR FINDINGS:

None

PICACHO MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION

**EXIT CONFERENCE
DECEMBER 31, 2019**

Exit Conference:

The exit conferences were held on May 7, 2020 with the following persons:

Michael Flynn, 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 Picacho Mutual Domestic Water Consumers Association with the assistance of management.