



KRIEGEL/GRAY/SHAW & CO., P.C.

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STATE OF NEW MEXICO

ROSEDALE MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION

AGREED UPON PROCEDURES

DECEMBER 31, 2014

STATE OF NEW MEXICO
ROSEDALE MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION

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**STATE OF NEW MEXICO
ROSEDALE MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION**

OFFICIAL ROSTER
DECEMBER 31, 2014

Board of Directors

<u>Name</u>	<u>Title</u>
<i>T. J. Robinson</i>	<i>President</i>
<i>Jim Brown</i>	<i>Vice President</i>
<i>John Bever</i>	<i>Board Member</i>
<i>Clara Bustillos</i>	<i>Board Member</i>
<i>Ron Schrader</i>	<i>Board Member</i>

Association Official

<i>Tom Fleming</i>	<i>Manager</i>
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**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED UPON PROCEDURES**

Rosedale Mutual Domestic Water Consumers Association
and State of New Mexico
Office of the State Auditor

We have performed the procedures enumerated below, which were agreed to by Rosedale Mutual Domestic Water Consumers Association and the State of New Mexico Office of the State Auditor, solely to assist you with respect to the Association's compliance for a Tier 4 engagement of Tier 4 of the Audit Act (Section 12-6-1 NMSA 1978 et seq.). Rosedale Mutual Domestic Water Consumers Association's management is responsible for the company'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 as follows:

1. Cash
 - a. We reviewed 100% of the bank reconciliations of Rosedale Mutual Domestic Water Consumers Association and determined that all bank reconciliations are being performed in a timely manner and that all bank and investment statements for the fiscal year are complete and on-hand.
 - b. We selected all 12 bank reconciliations of Rosedale Mutual Domestic Water Consumers Association to determine that they were accurate and that they agreed to the general ledger, supporting documentation, and financial reports presented to the Board of Directors.
 - c. We reviewed the supporting documentation provided by the financial institutions of Rosedale Mutual Domestic Water Consumers Association and determined that they have provided the Association with the 50% of pledged collateral on all uninsured deposits as required by Section 6-10-17 NMSA 1978, NM Public Money Act, where applicable. All accounts were fully insured, no pledged collateral required.
2. Capital Assets. We reviewed the annual inventory of Rosedale Mutual Domestic Water Consumers Association (as required by Section 12-6-10 NMSU 1978) and determined that the entity is in compliance with the requirement to perform a complete physical inventory of all capital assets on a yearly basis.

3. Revenue. We identified the nature and amount of revenue from sources by reviewing the budget, agreements, rate schedules, and underlying documentation.
 - a. We performed an analytical review; tested actual revenue compared to budgeted revenue for the year for each type of revenue. All revenues appeared reasonable based on the analytical performed in comparison to budgeted revenue.

We tested 63% of the total amount of revenues (on the cash basis) for 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. No exceptions were noted.
4. Expenditures. We selected a sample of cash disbursements and tested 82% of the total expenditures for the following attributes:
 - a. Determine that amount recorded as disbursed agrees to adequate supporting documentation. Verified that amount, payee, date and description agree to the vendor's invoice, purchase order, contract and canceled check, as appropriate. No exceptions noted.
 - b. Determine that disbursements were properly authorized and approved in compliance with the budget, legal requirements and established policies and procedures. No exceptions noted.
 - 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). No exceptions noted.
 5. Journal Entries. The financial records of Rosedale Mutual Domestic Water Consumers Association indicated that no journal entries were posted to the general ledger; therefore, we did not perform any tests in this area.

6. Budget

- a. Through a review of the minutes, we verified that the original budget was approved by the Board of Directors. Per correspondence with DFA-LGD, the Association's budgets were approved.
- b. We determined that actual expenditures did not exceed the final budget at the legal level of budgetary control.

We have prepared a schedule of revenues and expenditures – budget and actual on the budgetary basis used by Rosedale Mutual Domestic Water Consumers Association for the general operating fund (see the Budget to Actual schedule on page 5).

Rosedale Mutual Domestic Water Consumers Association
and State of New Mexico
Office of the State Auditor
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No other information came to our attention indicating any fraud, illegal acts, noncompliance, or any internal control deficiencies.

We were not engaged to, and did not, conduct an audit, the objective of which would be these expression of an opinion on the accounting records. 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 Rosedale Mutual Domestic Water Consumers Association management, others within the association, the Board of Directors, the State Auditor, the Department of Finance and Administration - Local Government Division, and the New Mexico Legislature and is not intended to be and should not be used by anyone other than those specified parties.

Kriegel/Gray/Shaw & Co., P.C.

Kriegel/Gray/Shaw & Co., P.C.

April 21, 2015

STATE OF NEW MEXICO
ROSEDALE MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION
GENERAL OPERATING FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET ASSETS
 BUDGETARY BASIS AND ACTUAL

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

	Budget Original	Budget Final	Actual	Variance Favorable (Unfavorable)
OPERATING REVENUES:				
Water sales, net of refunds	\$113,000	\$113,000	\$123,176	\$10,176
Finance charges	0	0	4,552	4,552
Equipment rental/other	0	0	160	160
<i>Total operating revenues</i>	113,000	113,000	127,888	14,888
OPERATING EXPENSES:				
Cost of water	47,600	47,600	43,312	4,288
Salaries and wages	31,000	31,000	29,880	1,120
Accounting services	9,000	9,000	8,282	718
Advertising	250	250	41	209
Supplies	2,500	2,500	3,152	(652)
CME/seminars	500	500	138	362
Dues and subscriptions	500	500	468	32
Insurance	8,000	8,000	6,875	1,125
Computer support	500	500	0	500
Payroll taxes	2,700	2,700	2,286	414
Repairs and maintenance	2,500	2,500	3,726	(1,226)
Rental expense	350	350	81	269
Taxes, other	50	50	0	50
Office expense	2,000	2,000	1,493	507
Fuel Expense	1,250	1,250	845	405
Miscellaneous	300	300	87	213
Legal	0	0	(1,161)	1,161
Utilities and telephone	700	700	745	(45)
Backhoe expense	1,500	1,500	1,061	439
Training	2,500	2,500	0	2,500
<i>Total operating expenses</i>	113,700	113,700	101,311	12,389
NON-OPERATING REVENUES (EXPENSES):				
State grant funds	2,800	2,800	0	(2,800)
Capital grant expenditures	0	0	0	0
Interest income	500	500	153	(347)
Other - insurance proceeds	0	0	0	0
Other expense	0	0	0	0
<i>Total non-operating revenues (expenses)</i>	3,300	3,300	153	(3,147)
Change in fund net assets	\$2,600	\$2,600	\$26,730	(\$648)
Reconciliation to quarterly report:				
Operating expenses			\$101,311	
Capital grant expenditures			0	
			101,311	
Expenditures to date - quarterly report			(101,616)	
Difference - December 2013 GRT and state withholding payable vs. December 2014 GRT state withholding payable				(\$305)

STATE OF NEW MEXICO
ROSEDALE MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

CURRENT YEAR SIGNIFICANT DEFICIENCIES:

None.

CURRENT STATUS ON PRIOR YEAR FINDING:

2013-001 – Inventory of Capital Assets.

Resolved and Not Repeated

STATE OF NEW MEXICO
ROSEDALE MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION
EXIT CONFERENCE
DECEMBER 31, 2014

EXIT CONFERENCE:

The exit conference was held April 24, 2015 and was attended by the following:

From Rosedale Mutual Domestic Water Consumers Association:

T. J. Robinson, President
Tom Fleming, Manager

From Kriegel/Gray/Shaw & Co., P.C.:

Debbie Gray, CPA/Shareholder
Lucio Luttrell, Staff Auditor

FINANCIAL STATEMENT PREPARATION

The financial statements of Rosedale Mutual Domestic Water Consumers Association were prepared from original books and records provided by and with assistance from the management of the Association and Kriegel/Gray/Shaw & Co., P.C. as of and for the year ended December 31, 2014.