



# **SANGRE DE CRISTO REGIONAL MUTUAL DOMESTIC WATER CONSUMERS AND MUTUAL SEWAGE WORKS**

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**AGREED UPON PROCEDURES - TIER 4**

**DECEMBER 31, 2019**

**MORTON**  
ACCOUNTING, LLC

certified public accountants | consultants

**SANGRE DE CRISTO REGIONAL MUTUAL DOMESTIC WATER CONSUMERS  
AND MUTUAL SEWAGE WORKS  
INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED UPON PROCEDURES - TIER 4  
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**SANGRE DE CRISTO REGIONAL MUTUAL DOMESTIC WATER CONSUMERS  
AND MUTUAL SEWAGE WORKS  
INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED UPON PROCEDURES - TIER 4  
OFFICIAL ROSTER AS OF DECEMBER 31, 2019**

**Board of Directors:**

Connie Gutierrez	President
Dolores Cleto	Vice-President
Andrea Gonzales	Secretary/Treasurer
Carmen Pacheco	Member

**Administrative Staff:**

Agnes Valencia	Office Manager
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[www.mortonaccountingllc.com](http://www.mortonaccountingllc.com)  
1512 Pacheco Street  
Suite D-204  
Santa Fe, NM 87505  
505.303.3557(o)

## **INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES - TIER 4**

Mr. Brian Colón, New Mexico State Auditor

and Connie Gutierrez, President

Sangre de Cristo Regional Mutual Domestic Water Consumers & Mutual Sewage Works

We have performed the procedures enumerated below, which were agreed to by the Sangre de Cristo Regional Mutual Domestic Water Consumers & Mutual Sewage Works (Association) and the New Mexico State Auditor (specified parties), solely to assist you in determining compliance with provisions of the Audit Act for Tier 4 entity per Section 12-6-3 B (4) NMSA 1978 and Section 2.2.2.16 NMAC and Section 6-6-2 (A) NMSA 1978 as of and for the year ended December 31, 2019. The Association's management is responsible for maintaining its accounting records and the subject matter. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

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

The Association's revenue calculation and tier determination were documented on the form provided at [www.osanm.org](http://www.osanm.org) under the "Tier System Reporting Main Page". It was determined that the Association is under the Tier 4 reporting procedures because the Association's revenue of \$125,684 was between \$50,000 and \$250,000, and they did not receive or expend a state capital outlay appropriation.

**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.**

Obtained and viewed the bank reconciliations for all the bank accounts for the fiscal year

noting they were complete and on hand. The Association did not have any investment accounts.

**b. Test at 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 (DFA-LGD).**

Obtained and viewed eight bank reconciliations (equal to 33.33% of the entity's bank reconciliations) and determined that they were mathematically accurate, agreed with the general ledger balances and supporting documentation. However, all the bank reconciliations did not tie to the submitted DFA-Local Government Division quarterly reports. The total cash balance in the reports were overstated by \$5,062.68.

Further, the quarterly report submitted to DFA-Local Government Division for the period ending December 31, 2019, did not tie to the general ledger as follows:

	General Ledger	DFA Report	Variance
Revenues:			
Water Dues	\$ 125,226	\$ 125,482	\$ (256)
Interest	273	273	(0)
Miscellaneous	185	-	185
Total Revenues	<u>\$ 125,684</u>	<u>\$ 125,756</u>	<u>\$ (72)</u>

See Finding 2010-001.

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

Viewed bank statements and bank account balances of the Association noting they were fully insured by the FDIC. Pledged collateral was not required since the Association's bank balances were below \$250,000 during the fiscal year.

**3. Capital Assets**

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

Obtained and viewed the certified capital asset inventory for fiscal year ending December 31, 2019.

**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.**

The revenue sources of the Association consist of water dues, interest and other miscellaneous receipts like reimbursements. No unexplained variances were noted between budgeted and actual revenue for each type of revenue.

However, as noted in item 2.b., revenue reported in the quarterly report submitted to DFA-LDG for period ending December 31, 2019 did not tie to the general ledger by a total of \$72. See Finding 2010-001.

**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.**

A sample of cash receipts and deposits was judgmentally selected (equal to 30% of the total dollar amount of revenue). The amount recorded in the general ledger agreed 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.**

A sample of cash receipts and deposits was judgmentally selected (equal to 30% of the total amount of revenue); obtained supporting documentation noting the transactions were appropriately recorded as to classification, amount and period.

## **5. Expenditures**

**Select a sample of cash disbursements equal to at least 30% of the total dollar amount and test 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.**

Obtained supporting documentation for cash disbursement transactions (totaling 30.16% of total expenses) for testing. For thirty two of the thirty five transactions selected, we verified that amount, payee, date and description agreed to the received supporting documentation, as appropriate. The Association was unable to provide invoices or other supporting

documentation for two cash transaction totaling \$70. Therefore, we could not perform test work on these transactions. In addition the calculation of the monthly CRS-1 Form for May, 2019 was done incorrectly. The Association overpaid the amount due by \$14.16.

See Finding 2017-002.

**b. Determine that the disbursements were properly authorized and approved in compliance with the budget, legal requirements and established policies and procedures.**

Obtained supporting documentation for cash disbursement transactions (totaling 30.16% of total expenses) for testing. For thirty three of the thirty five transactions selected, we determined that the disbursements were compliant with budget and legal requirements. The Association was unable to provide invoices or other supporting documentation for two cash transaction totaling \$70. Therefore, we could not perform test work on this transaction. In addition, we could not determine compliance with established policies and procedures as the Association has no written policies or procedures.

See Findings 2010-004 and 2017-002.

**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).**

There were no procurements during the fiscal year, therefore no test work was performed.

**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.**

The Association had no non-routine journal entries, adjustments or reclassifications posted to the general ledger during the fiscal year so no test work was performed.

**b. The local public body has policies and procedures that require journal entries to be reviewed and there is evidence the reviews are being performed.**

The Association had no non-routine journal entries, adjustments or reclassifications posted to the general ledger during the fiscal year so no test work was performed.

## 7. Budget

**Obtain the original fiscal year budget and all budget adjustments 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.**

Per review of DFA-LGD correspondence and board meeting minutes, we noted that the budget was approved by DFA-LGD on February 21, 2019. The Association's budget was adopted in a board resolution on January 10, 2019.

- b. **Determine whether the total actual expenditures exceeded the final budget at the legal level of budgetary control; if the answer is yes, report a compliance finding.**

We determined that the legal level of budgetary control is at the fund level. Total expenses of the Association of \$97,180 did not exceed budgeted expenditures of \$129,469.

- 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.**

See Schedule of Revenues and Expenses, Budget and Actual (Non-GAAP Cash Basis) on page 13.

## 8. Other

**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 all required content per Section 2.2.2.10(L)NMAC.**

See schedule of findings and responses on page 8.

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, respectively, on the Tier 4 agreed upon procedures. 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 the Sangre de Cristo Regional Mutual Domestic Water Consumers & Mutual Sewage Works , the New Mexico Office of the State Auditor, the New Mexico Department of Finance and Administration Local Government Division, and the New Mexico State Legislature and is not intended to be and should not be used by anyone other than those specified parties.

MORTON ACCOUNTING SERVICES, LLC

*Morton Accounting Services, LLC*

Santa Fe, New Mexico

March 12, 2020

**SANGRE DE CRISTO REGIONAL MUTUAL DOMESTIC WATER CONSUMERS  
AND MUTUAL SEWAGE WORKS  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**Status of Prior Year Findings:**

Finding 2010-001. Non-compliance with Budget Laws and Regulations and Reporting - Repeated and

Finding 2010-004. No Policies or Procedures Documented (Material Weakness) - Repeated and Modified.

Finding 2017-002. Missing and Incorrect Expense Records - Repeated and Modified.

Finding 2018-001. Timely Bank Reconciliations -Resolved.

**Current Year Findings:**

**Finding 2010-001. Non-compliance with Reporting Requirements - Repeated and Modified**

**Condition:**

The cash balances on the quarterly bank reconciliations and the cash balances on the general ledger did not tie to the cash balances reported in the quarterly reports submitted to DFA-LGD for the periods ending March 31, 2019, June 30, 2019, September 30, 2019 and December 31, 2019. The cash balances in the reports submitted to DFA-LGD were overstated by \$5,062.68. Further, the quarterly report submitted to DFA-LGD for the period ending December 31, 2019, did not tie to the general ledger as detailed below. *Management did make progress in adopting the budget in a board resolution and management did make progress in submitting accurate expense amounts on the quarterly reports to DFA-LGD as required.*

	General Ledger	DFA Report	Variance
Revenues:			
Water Dues	\$ 125,226	\$ 125,482	\$ (256)
Interest	273	273	(0)
Miscellaneous	185	-	185
Total Revenues	<u>\$ 125,684</u>	<u>\$ 125,756</u>	<u>\$ (72)</u>

**Criteria:**

Pursuant to Section 6-6-5 NMSA 1978, upon receipt of any budget approved by DFA-LGD, the local public body shall cause such budget to be made a part of the minutes of such body. Per Section 6-6-2.F NMSA 1978, each local public body is required to submit quarterly financial reports to DFA-LGD. Further, the quarterly financial reports should reconcile to the official books and records of the Association.

**SANGRE DE CRISTO REGIONAL MUTUAL DOMESTIC WATER CONSUMERS  
AND MUTUAL SEWAGE WORKS  
SCHEDULE OF FINDINGS AND RESPONSES, continued  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**Finding 2010-001. Non-compliance with Budget Laws and Regulations and Reporting - Repeated and Modified, continued**

**Effect:**

The Association was not in compliance with the statute 6-6-2.F NMSA 1978. The Association's financial reports to the oversight agency (DFA) for the periods ending March 31, 2019, June 30, 2019, September 30, 2019 and December 31, 2019 did not accurately report cash balances and revenue amounts.

**Cause:**

The Office Manager misunderstood the DFA-LGD requirements and used the bank statement balances instead of the reconciled general ledger cash balances. The correct reconciled general ledger amount was not used to report the year to date revenue balances.

**Recommendation:**

The Association should use reconciled general ledger balances to accurately complete the quarterly financial reports to DFA-LGD as required.

**Management Response:**

Beginning immediately, the Sangre de Cristo Regional RWA Office Manager will be using the General Ledger Balance instead of the Bank Statement balances for reporting to DFA-LGD.

**SANGRE DE CRISTO REGIONAL MUTUAL DOMESTIC WATER CONSUMERS  
AND MUTUAL SEWAGE WORKS  
SCHEDULE OF FINDINGS AND RESPONSES, continued  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**Finding 2010-004. No Policies or Procedures Documented (Material Weakness) -Repeated and Modified**

**Condition:**

The Association does not have written policies and procedures over significant processes such as Receipts, Disbursements, and Procurement. *Management did not make progress in correcting this finding during the fiscal year.*

**Criteria:**

It is a prudent business practice to establish a overall accounting policies and procedures in order to properly account for and safeguard Association assets.

**Effect:**

Although there were processes implemented during the fiscal year, there remains a lack of formalized internal controls over significant transaction classes:

- Cash Receipts and Disbursements
- Revenues and Accounts Receivable
- Expenditures and Accounts Payable
- Debt
- Capital Assets

**Cause:**

The Board of Directors neglected to establish written accounting policies and procedures.

**Recommendation:**

The Board of Directors of the Association should establish and implement written accounting policies and procedures for the significant transaction classes noted above, and to ensure compliance with NM State Procurement Code and Purchasing Regulations.

**Management's Response:**

The Sangre de Cristo Regional Board of Directors, during FY 2020, will establish and implement written accounting policies and procedures to account for the significant transaction classes with the goal of being in compliance with NM State Procurement Code and Purchasing Regulations, and:

- Cash Receipts and Disbursements
- Revenues and Accounts Receivable
- Expenditures and Accounts Payable
- Debt
- Capital Assets

**SANGRE DE CRISTO REGIONAL MUTUAL DOMESTIC WATER CONSUMERS  
AND MUTUAL SEWAGE WORKS  
SCHEDULE OF FINDINGS AND RESPONSES, continued  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**Finding 2017-002. Missing and incorrect Expense Records, Repeated and Modified**

**Condition:**

During the performance of the agreed-upon procedures for expenditures for fiscal year 2019, thirty five cash disbursements totaling \$29,306.91 were selected for testing. Out of the items selected, the Association was unable to provide invoices or other supporting documentation for two cash disbursement totaling \$70. Therefore, we could not perform test work on these transactions. In addition, the calculation of the monthly CRS-1 Form for May, 2019 was done incorrectly. The Association overpaid the amount due by \$14.16. *Management made progress in correcting this finding from prior year; supporting documentation was only missing for stipend amounts paid to staff and not missing any vendor invoices.*

**Criteria:**

It is a prudent business practice to maintain supporting documentation for the disbursement of public funds. Section 13-1-158 NMSA of the State Procurement Code states: No warrant, check or other negotiable instrument shall be issued in payment for any purchase of services, construction, or items of tangible personal property unless the using agency certifies that the services, construction or items of tangible personal property have been received. In addition, the calculation of the NM gross receipts should be double checked to ensure accuracy.

**Effect:**

There was insufficient documentation supporting the amount and type of expense paid by the Association for the two transactions above. The Association overpaid by \$14.16.

**Cause:**

The Association does not currently require any documentation for stipend payments. Miscalculation of CRS-1 payment was due to human error.

**Recommendation:**

The Board of Directors should also establish and implement a record retention policy. Adequate supporting documentation for all cash receipts and disbursements should be filed, retained and safeguarded by the Association for at least 5 years after the end of the fiscal year. The Association should also have another staff review and check the calculation on the CRS-1 tax form to ensure it is correct and the appropriate amount of taxes are paid.

**SANGRE DE CRISTO REGIONAL MUTUAL DOMESTIC WATER CONSUMERS  
AND MUTUAL SEWAGE WORKS  
SCHEDULE OF FINDINGS AND RESPONSES, continued  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**Finding 2017-002. Missing Expense Records, Repeated and Modified, continued**

**Management Response:**

The Sangre de Cristo Regional Board of Directors, during 2019, implemented a record retention policy, however it is not in writing. The Board will immediately, during fiscal year 2020, will begin to document its policies and procedures to ensure that all supporting documentation for all cash receipts and disbursement are maintained, retained and safeguarded by the Association for at least 5 years after the end of the fiscal year. The specific items in this finding relate to stipends. The Office Manager will develop a form to accompany all payments for stipends. This form will be utilized for all future stipend payments. The mis-calculation of the CRS-1 payment for May 2019 was human error. Going forward we will have a second reviewer (Board Member) re-calculate the payments.

**SANGRE DE CRISTO REGIONAL MUTUAL DOMESTIC WATER CONSUMERS  
AND MUTUAL SEWAGE WORKS  
SCHEDULE OF REVENUES AND EXPENSES  
BUDGET AND ACTUAL (NON-GAAP CASH BASIS)  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Water dues	\$ 132,300	\$ 132,300	\$ 125,226	\$ (7,074)
Interest	41	41	273	232
Miscellaneous	-	-	185	185
Total Revenues	<u>\$ 132,341</u>	<u>\$ 132,341</u>	<u>\$ 125,684</u>	<u>\$ (6,657)</u>
<b>Expenses:</b>				
Salaries and Benefits	\$ 39,280	\$ 39,280	\$ 41,317	\$ (2,037)
Stipends	2,300	2,300	990	1,310
Mileage	2,700	2,700	2,985	(285)
Building insurance	3,000	3,000	-	3,000
Office Supplies	5,428	5,428	8,020	(2,592)
Other	35	35	12	23
Operations & Maintenance	24,500	24,500	6,942	17,558
Association Utilities	25,000	25,000	15,680	9,320
Telephone	2,000	2,000	1,347	653
Rentals	1,000	1,000	78	922
NM Gross Receipts Taxes	7,000	7,000	4,989	2,011
Bank charges	200	200	10	190
Advertisement	200	200	-	200
Training	1,000	1,000	30	970
Legal Fees/Professional services	6,250	6,250	9,109	(2,859)
Technical Support	3,000	3,000	-	3,000
Loan Payment	6,576	6,576	5,671	905
Total Expenses	<u>\$ 129,469</u>	<u>\$ 129,469</u>	<u>\$ 97,180</u>	<u>\$ 32,289</u>

**SANGRE DE CRISTO REGIONAL MUTUAL DOMESTIC WATER CONSUMERS  
AND MUTUAL SEWAGE WORKS  
COPY OF YEAR END FINANCIAL REPORT SUBMITTED TO DFA-LGD  
FOR THE YEAR ENDED DECEMBER 31, 2019**

SANGRE DE CRISTO REGIONAL								
	2019 Budget	Q1: Jan-March.	Q2: April-June	Q3: July-Sept.	Q4: Oct-Dec.	2019 To Date	2019 Actual Year To Date (Over) Under Budget	
<b>OPERATING INCOME</b>								
2 Active	\$ 122,157.00	\$ 28,220.62	\$ 33,667.73	\$ 34,258.15	\$ 29,335.97	\$ 125,482.47	\$	(3,325.47)
3 In-active	\$ 8,064.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$	8,064.00
4 Vacation	\$ 2,079.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$	2,079.00
5 Commercial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$	-
6 Interest Income	\$ 41.28	\$ 69.60	\$ 72.09	\$ 68.47	\$ 63.33	\$ 273.49	\$	(232.21)
<b>7 TOTAL OPERATING INCOME</b>	<b>\$ 132,341.28</b>	<b>\$ 28,290.22</b>	<b>\$ 33,739.82</b>	<b>\$ 34,326.62</b>	<b>\$ 29,399.30</b>	<b>\$ 125,755.96</b>	<b>\$</b>	<b>6,585.32</b>
<b>OPERATING EXPENSES</b>								
9 Salaries (Water Operator & Meter Reader)	\$ 18,480.00	\$ 4,750.00	\$ 5,152.50	\$ 5,895.00	\$ 6,120.00	\$ 21,917.50	\$	(3,437.50)
10 Office Manager	\$ 20,800.00	\$ 4,400.00	\$ 5,250.00	\$ 4,500.00	\$ 5,250.00	\$ 19,400.00	\$	1,400.00
11 Stipend	\$ 2,300.00	\$ 350.00	\$ 245.00	\$ 245.00	\$ 150.00	\$ 990.00	\$	1,310.00
12 Mileage	\$ 2,700.00	\$ 808.48	\$ 862.20	\$ 720.00	\$ 594.30	\$ 2,984.98	\$	(284.98)
<b>13 Total Salaries</b>	<b>\$ 44,280.00</b>	<b>\$ 10,308.48</b>	<b>\$ 11,509.70</b>	<b>\$ 11,360.00</b>	<b>\$ 12,114.30</b>	<b>\$ 45,292.48</b>	<b>\$</b>	<b>(1,012.48)</b>
14 Office Supplies incl. billing cards	\$ 5,428.00	\$ 133.94	\$ 468.81	\$ 204.24	\$ 373.33	\$ 1,180.32	\$	4,247.68
15 Loan Payment	\$ 6,576.00	\$ 1,696.08	\$ 1,417.66	\$ 1,278.45	\$ 1,278.45	\$ 5,670.64	\$	905.36
16 Printer Lease	\$ 1,000.00	\$ 78.15	\$ -	\$ -	\$ 78.15	\$ -	\$	921.85
17 Telephone	\$ 2,000.00	\$ 353.36	\$ 733.59	\$ 321.07	\$ 322.81	\$ 1,730.83	\$	269.17
18 Building Insurance	\$ 3,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$	3,000.00
19 Audit	\$ 5,000.00	\$ 5,728.75	\$ 3,380.00	\$ -	\$ -	\$ 9,108.75	\$	(4,108.75)
20 Postage	\$ 2,500.00	\$ 398.50	\$ 420.00	\$ 379.00	\$ 550.00	\$ 1,747.50	\$	752.50
21 Bank Debits	\$ 200.00	\$ 3.00	\$ 3.93	\$ 3.00	\$ -	\$ 9.93	\$	190.07
22 Advertisements	\$ 200.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$	200.00
23 Quick Books	\$ 500.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$	500.00
24 Sect. of State (2 years)	\$ 35.00	\$ -	\$ 11.50	\$ -	\$ -	\$ 11.50	\$	23.50
25 NMGRT (Payable)	\$ 7,000.00	\$ 1,337.69	\$ 1,578.50	\$ 1,037.84	\$ 1,035.41	\$ 4,989.44	\$	2,010.56
<b>26 Total Office Expenses</b>	<b>\$ 33,439.00</b>	<b>\$ 9,729.47</b>	<b>\$ 8,013.99</b>	<b>\$ 3,223.60</b>	<b>\$ 3,560.00</b>	<b>\$ 24,527.06</b>	<b>\$</b>	<b>8,911.94</b>
27 O&M	\$ 20,000.00	\$ 229.64	\$ 1,548.96	\$ 3,378.24	\$ 1,785.05	\$ 6,941.89	\$	13,058.11
28 Electrical Utilities	\$ 25,000.00	\$ 5,018.67	\$ 4,310.86	\$ 3,061.91	\$ 3,288.85	\$ 15,680.29	\$	9,319.71
29 NM One Call	\$ 750.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$	750.00
30 Conservation Fees	\$ 750.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$	750.00
<b>31 Technical Expenses</b>	<b>\$ 46,500.00</b>	<b>\$ 5,248.31</b>	<b>\$ 5,859.82</b>	<b>\$ 6,440.15</b>	<b>\$ 5,073.90</b>	<b>\$ 22,622.18</b>	<b>\$</b>	<b>23,877.82</b>
32 Training	\$ 1,000.00	\$ -	\$ -	\$ 30.00	\$ -	\$ 30.00	\$	970.00
<b>33 Training</b>	<b>\$ 1,000.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 30.00</b>	<b>\$ -</b>	<b>\$ 30.00</b>	<b>\$</b>	<b>970.00</b>
<b>Professional Services</b>								
35 El Valle Water Alliance	\$ 1,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$	1,000.00
36 Legal Fees	\$ 250.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$	250.00
<b>37 Total</b>	<b>\$ 1,250.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$</b>	<b>1,250.00</b>
<b>Tech Support (Quickwater)</b>								
39 Software Updates	\$ 3,000.00	\$ 1,369.83	\$ -	\$ 954.78	\$ 2,383.68	\$ 4,708.29	\$	(1,708.29)
<b>40 TOTAL OPERATING EXPENSES</b>	<b>\$ 129,469.00</b>	<b>\$ 26,656.09</b>	<b>\$ 25,383.51</b>	<b>\$ 22,008.53</b>	<b>\$ 23,131.88</b>	<b>\$ 97,180.01</b>	<b>\$</b>	<b>32,288.99</b>
<b>41 Net Operating Income (Line 6-25)</b>	<b>\$ 2,872.28</b>	<b>\$ 1,634.13</b>	<b>\$ 8,356.31</b>	<b>\$ 12,318.09</b>	<b>\$ 6,267.42</b>	<b>\$ 28,575.95</b>	<b>\$</b>	<b>1,238.15</b>
<b>NONOPERATING INCOME</b>								
43 Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$	-
44 Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$	-
45 Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$	-
46 Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$	-
<b>47 TOTAL NONOPERATING INCOME</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$</b>	<b>-</b>
<b>NONOPERATING EXPENSE</b>								
49 Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$	-
50 Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$	-
<b>51 TOTAL NONOPERATING EXPENSE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$</b>	<b>-</b>
<b>52 Net Nonoperating Income (Line 31-33)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$</b>	<b>-</b>
<b>53 Net Income (loss) add lines 26+34</b>	<b>\$ 2,872.28</b>	<b>\$ 1,634.13</b>	<b>\$ 8,356.31</b>	<b>\$ 12,318.09</b>	<b>\$ 6,267.42</b>	<b>\$ 28,575.95</b>	<b>\$</b>	<b>(25,703.67)</b>
* GRT billed directly to the users								
	12/31/2019							
Checking Account	87,265.78							
Saving Account	41,490.09							
Ristricted Debt Reserve	-	-						
Ristricted O&M Reserve	-	-						
Ristricted Emergency Reserve	-	-						
Uncashed Checks								
<b>Total Fund Balance</b>	<b>128,755.87</b>	<b>-</b>						
<b>Note/Assumptions</b>								
2017 revenue projections are based on the following	\$ 122,157.00							
277 active members x \$36.75 x 12 month	\$ 8,064.00							
80 in-active members x \$8.40 x 12 month	\$ 2,079.00							
15 vacation members x \$11.55 x 12 month	\$ 132,300.00							



**SANGRE DE CRISTO REGIONAL MUTUAL DOMESTIC WATER CONSUMERS  
AND MUTUAL SEWAGE WORKS  
EXIT CONFERENCE  
FOR THE YEAR ENDED DECEMBER 31, 2019**

On March 12, 2020, an exit conference was held with the following individuals to discuss the results of the agreed-upon procedures and contents of this report.

**Sangre de Cristo Regional Mutual Domestic Water Consumers & Mutual Sewage Works:**

Connie Gutierrez	President
Agnes Valencia	Office Manager

**Morton Accounting Services, LLC:**

Janet Pacheco-Morton, CPA, CGFM	Managing Principal
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