

WINTERHAVEN MUTUAL DOMESTIC  
WATER CONSUMERS AND SEWAGE WORKS ASSOCIATION  
AGREED-UPON PROCEDURES  
DECEMBER 31, 2017

**WINTERHAVE MUTUAL DOMESTIC WATER CONSUMERS  
AND SEWAGE WORKS ASSOCIATION  
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DECEMBER 31, 2017**

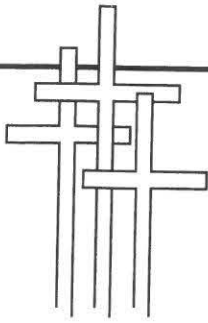
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**WINTERHAVEN MUTUAL DOMESTIC WATER CONSUMERS  
AND SEWAGE WORKS ASSOCIATION  
OFFICIAL ROSTER  
DECEMBER 31, 2017**

HENRY AGUIRRE, PRESIDENT

DON PLATT, VICE-PRESIDENT

MERLE BUCHER, TREASURER



# 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  
Wayne Johnson  
Winterhaven Mutual Domestic Water Consumers and Sewage Works Association  
Las Cruces, New Mexico

We have performed the procedures shown in Exhibit A, attached to this report. The procedures were agreed to by Winterhaven Mutual Domestic Water Consumers and Sewage Works Association through the Office of the State Auditor, solely to assist you with respect to the compliance of the Tier 5 of the Audit Act – Section 12-6-3 B (5) NMSA 1978 and Section 2.2.2.16 NMAC of Winterhaven Mutual Domestic Water Consumers and Sewage Works Association as of December 31, 2017. Winterhaven Mutual Domestic Water Consumers and Sewage Works 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 Winterhaven Mutual Domestic Water Consumers and Sewage Works 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 10, 2018

*Never Underestimate the Value of a CPA*

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**WINTERHAVEN MUTUAL DOMESTIC WATER CONSUMERS AND SEWAGE WORKS ASSOCIATION**  
**EXHIBIT A- SCOPE OF WORK**  
**AGREED UPON PROCEDURES**

**Tier 5 of the Audit Act - Section 12-6-3 B (5) 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](http://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, 2017: Bank of the West - Operating - \$6,836.71; Bank of the West - Reserve - \$10,300.00; Bank of the West - Debt Service - \$1,776.00. All bank reconciliations are performed on a timely basis and all were complete and on-hand.

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..

**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 the 50% pledged collateral on all uninsured 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, 2017 were reviewed for balances.

**Finding:**

Bank account balances did not exceed the insured limits during the year ended December 31, 2017 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 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.

**WINTERHAVEN MUTUAL DOMESTIC WATER CONSUMERS AND SEWAGE WORKS ASSOCIATION**  
**EXHIBIT A- SCOPE OF WORK**  
**AGREED UPON PROCEDURES**

**Tier 5 of the Audit Act - Section 12-6-3 B (5) 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 over budget of total revenues at the end of the year as a result of high water usage.

	<b>Budgeted Amount</b>	<b>Actual Amount</b>	<b>Variance</b>	<b>Percentage</b>
Water Service	\$ 25,000	\$ 25,631	\$ 631	3%
Sewer Service	\$ 28,500	\$ 29,160	\$ 660	2%
Connection Charges	\$ 400	\$ 405	\$ 5	1%
Late Fees	\$ 2,000	\$ 2,279	\$ 279	14%
Membership Fees	\$ 300	\$ 100	\$ (200)	-67%
Service Calls	\$ -	\$ 668	\$ 668	100%
Installation Fees	\$ -	\$ 630	\$ 630	100%

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

<b>Receipts Date</b>	<b>Payer</b>	<b>Description</b>	<b>Amount</b>
2/14/2017	Client Fees	Revenue-Water and Sewer	\$ 924.00
2/22/2017	Client Fees	Revenue-Water and Sewer	\$1,061.70
2/28/2017	Client Fees	Revenue-Water and Sewer	\$1,099.99
3/9/2017	Client Fees	Revenue-Water and Sewer	\$1,784.04
4/12/2017	Client Fees	Revenue-Water and Sewer	\$1,269.79
4/18/2017	Client Fees	Revenue-Water and Sewer	\$ 650.99
4/25/2017	Client Fees	Revenue-Water and Sewer	\$1,230.79
5/5/2017	Client Fees	Revenue-Water and Sewer	\$1,827.58
6/14/2017	Client Fees	Revenue-Water and Sewer	\$ 689.68
6/21/2017	Client Fees	Revenue-Water and Sewer	\$1,403.16
6/28/2017	Client Fees	Revenue-Water and Sewer	\$ 586.62
7/7/2017	Client Fees	Revenue-Water and Sewer	\$2,404.08
8/10/2017	Client Fees	Revenue-Water and Sewer	\$ 589.37
8/16/2017	Client Fees	Revenue-Water and Sewer	\$ 325.00
8/23/2017	Client Fees	Revenue-Water and Sewer	\$1,349.17
8/30/2017	Client Fees	Revenue-Water and Sewer	\$ 792.42
9/7/2017	Client Fees	Revenue-Water and Sewer	\$1,696.15
10/11/2017	Client Fees	Revenue-Water and Sewer	\$ 702.21
10/18/2017	Client Fees	Revenue-Water and Sewer	\$ 401.09
10/25/2017	Client Fees	Revenue-Water and Sewer	\$1,502.94
11/6/2017	Client Fees	Revenue-Water and Sewer	\$2,114.72
12/31/2017	Client Fees	Revenue-Water and Sewer	\$1,085.81
12/20/2016	Client Fees	Revenue-Water and Sewer	\$ 821.16
12/29/2017	Client Fees	Revenue-Water and Sewer	\$ 866.94
1/5/2018	Client Fees	Revenue-Water and Sewer	\$2,049.74

**WINTERHAVEN MUTUAL DOMESTIC WATER CONSUMERS AND SEWAGE WORKS ASSOCIATION**  
**EXHIBIT A- SCOPE OF WORK**  
**AGREED UPON PROCEDURES**

**Tier 5 of the Audit Act - Section 12-6-3 B (5) 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 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
1/12/2017	3749	NM Taxation & Revenue	Water conservation fee	\$ 28.46
1/12/2017	3750	Pure Operations, LLC	Operations & Maintenance	\$ 956.19
1/12/2017	3755	El Paso Electric	Utility Payment	\$ 323.45
1/12/2017	3756	Occam Engineers, Inc.	Operations & Maintenance	\$ 313.56
2/9/2017	3760	Pure Operations, LLC	Operations & Maintenance	\$ 1,904.95
2/9/2017	3765	City of Las Cruces	Utility Payment	\$ 738.14
2/9/2017	3766	Omni Site	Operations & Maintenance	\$ 276.00
3/17/2017	3771	New Mexico 811	Dues	\$ 32.80
3/17/2017	3775	BluWater Specialties, Inc.	Operations & Maintenance	\$ 373.63
3/17/2017	ACH	NM Taxation & Revenue	Gross receipts tax	\$ 221.28
4/13/2017	3778	Mesilla Valley Accounting , PC	Accounting Services	\$ 751.42
4/13/2017	3783	Evoqua Water Technologies,LLC	Operations & Maintenance	\$ 1,232.00
4/13/2017	3784	Pure Operations, LLC	Operations & Maintenance	\$ 926.19
5/11/2017	3789	Dona Ana MCWCA	Operations & Maintenance	\$ 91.71
5/11/2017	3794	Rio Grande Pump & Supply	Operations & Maintenance	\$ 367.61
5/11/2017	3795	BluWater Specialties, Inc.	Operations & Maintenance	\$ 373.63
6/8/2017	3800	Mesilla Valley Accounting , PC	Accounting Services	\$ 792.04
6/8/2017	3803	Clifford, Ross & Cooper	Accounting Services	\$ 2,437.03
6/8/2017	3805	Pure Operations, LLC	Operations & Maintenance	\$ 1,298.48
7/13/2017	3809	El Paso Electric	Utility Payment	\$ 354.14
7/13/2017	3812	Pure Operations, LLC	Operations & Maintenance	\$ 1,110.48
7/13/2017	3815	Postmaster	Postage	\$ 126.00
8/3/2017	3816	City of Las Cruces	Utility Payment	\$ 586.92
8/10/2017	3820	Rio Grande Pump & Supply	Operations & Maintenance	\$ 152.09
8/10/2017	3825	Pure Operations, LLC	Operations & Maintenance	\$ 1,293.15
9/14/2017	3826	American Hallmark	Insurance	\$ 168.50
9/14/2017	3831	BluWater Specialties, Inc.	Operations & Maintenance	\$ 373.63
9/14/2017	3833	Mesilla Valley Accounting , PC	Accounting Services	\$ 963.26
9/14/2017	3835	Rio Grande Pump & Supply	Operations & Maintenance	\$ 150.16
10/12/2017	ACH	NM Taxation & Revenue	Gross receipts tax	\$ 229.53
10/12/2017	3842	Granite Mountain Accounting	Accounting Services	\$ 751.42
10/12/2017	3843	Pure Operations, LLC	Operations & Maintenance	\$ 1,082.67
10/12/2017	ACH	USDA/RD	Loan payment	\$ 37.00

**WINTERHAVEN MUTUAL DOMESTIC WATER CONSUMERS AND SEWAGE WORKS ASSOCIATION**  
**EXHIBIT A- SCOPE OF WORK**  
**AGREED UPON PROCEDURES**

**Tier 5 of the Audit Act - Section 12-6-3 B (5) NMSA 1978 and Section 2.2.2.16 NMAC**

<b>5) EXPENDITURES (continued)</b>						
	11/9/2017	3846	Dona Ana County Treasurer	Property taxes		\$ 543.08
	11/9/2017	3850	El Paso Electric	Utility Payment		\$ 215.67
	11/9/2017	3853	Evoqua Water Technologies	Operations & Maintenance		\$ 1,268.00
	12/14/2017	3857	City of Las Cruces	Utility Payment		\$ 200.00
	12/14/2017	3858	El Paso Electric	Utility Payment		\$ 222.30
	12/14/2017	3861	City of Las Cruces	Utility Payment		\$ 811.09
	12/14/2017	3862	Pure Operations LLC	Operations & Maintenance		\$ 1,262.77

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

- a)** Tested 40 out of 154 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:

<b>Date</b>	<b>Description</b>	<b>Account Number</b>	<b>Debit</b>	<b>Credit</b>
2/28/2017	Deposit in transit	Deposit in Transit	\$ 1,784.04	
	Deposit in transit	Water & Sewer Customers		\$ 1,784.04
4/1/2017	Reverse Journal Entry-Deposit in transit	Water & Sewer Customers	\$ 1,728.04	
	Reverse Journal Entry-Deposit in transit	Deposit in Transit		\$ 1,728.04
6/30/2017	Monthly Depreciation Expense	Depreciation expense	\$ 4,416.48	
	Monthly Depreciation Expense	Accumulated Depreciation		\$ 4,416.48
8/31/2017	Monthly Sales	Water & Sewer Customers	\$ 4,975.28	
	Monthly Sales	Water Service		\$ 2,139.04
	Monthly Sales	Sewer Service		\$ 2,440.00
	Monthly Sales	Late Fees		\$ 167.30
	Monthly Sales	Gross Receipts Tax Payable		\$ 228.94
10/31/2017	Deposit in transit	Deposits in Transit	\$ 2,114.72	
	Deposit in transit	Water & Sewer Customers		\$ 2,114.72
12/31/2017	Accrued Quarterly Insurance expense	Insurance	\$ 417.50	
	Accrued Quarterly Insurance expense	Prepaid Insurance		\$ 417.50



**WINTERHAVEN MUTUAL DOMESTIC WATER CONSUMERS AND SEWAGE WORKS ASSOCIATION**  
**EXHIBIT A- SCOPE OF WORK**  
**AGREED UPON PROCEDURES**

**Tier 5 of the Audit Act - Section 12-6-3 B (5) NMSA 1978 and Section 2.2.2.16 NMAC**

**6) JOURNAL ENTRIES (continued)**  
**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:

**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.

**Finding:**  
No discrepancies noted.

**8) CAPITAL OUTLAY APPROPRIATIONS**

The scope of the agreed-upon procedures engagement shall encompass any and all state-funded capital outlay appropriations of the New Mexico Legislature that meet Tier 5 criteria. 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 that meet the Tier 5 criteria. Perform the following tests on all state-funded capital outlay expenditures:

**a)** Determine that the amount recorded as disbursed agrees to adequate supporting documentation. Verify that amount, payee, date and description agree to the purchase order, contract, vendor's invoice and canceled check, as appropriate.  
**b)** Determine that the cash disbursements were properly authorized and approved in accordance 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 and State Purchasing Regulations (Section 13-1-28 through 13-1-199 NMSA 1978 and 1.4.1 NMAC).

**WINTERHAVEN MUTUAL DOMESTIC WATER CONSUMERS AND SEWAGE WORKS ASSOCIATION**  
**EXHIBIT A- SCOPE OF WORK**  
**AGREED UPON PROCEDURES**

**Tier 5 of the Audit Act - Section 12-6-3 B (5) NMSA 1978 and Section 2.2.2.16 NMAC**

**8) CAPITAL OUTLAY APPROPRIATIONS (continued)**

- d) Determine the physical existence (by observation) of the capital asset based on expenditures to date.
- e) Verify that status reports were submitted to the state agency per terms of agreement and amounts in the status report agree with the general ledger and other supporting documentation.
- 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.
- g) If the project is complete, determine if there is an unexpended balance and whether it was reverted per statute and agreement with the grantor.
- h) Determine whether cash received for the award was accounted for in a separate fund or separate bank account that is non-interest bearing if so required by the capital outlay award agreement.
- 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 for reimbursement.

**Results of Procedures 7(a) - 7(i):**

- 1) Obtained documentation and bid (if applicable) for each capital project. Obtained all disbursements for each project and reconciled each disbursement to the request for reimbursement, verified the above attributes. Only one project this year, a Preliminary Engineering Report
- 2) Obtained copy of status reports and reviewed submission to the state agencies and timeliness of submissions.
- 3) Observed the existence of the Water System and Well by driving to its location and noting it does exist.
- 4) Determined the cash received for construction projects is deposited into a separate bank account.
- 5) Obtained copies of all reimbursement requests, reviewed all backup documentation, reconciled each capital project to the general ledger. Traced all revenues received from grants to bank deposits and the general ledger and reviewed for proper approval from the board, management and DFA.

**Findings:**

100% of all reimbursements were reviewed.  
 All were deposited into a separate bank account just for construction.  
 Reviewed bid procedures, bids for current projects were done in prior year.  
 Reviewed final reports on projects completed.  
 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(1)(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.

**WINTERHAVEN MUTUAL DOMESTIC WATER CONSUMERS & SEWAGE WORKS ASSOCIATION**  
**EXHIBIT B - SCHEDULE OF CAPITAL OUTLAY PROJECTS**  
**DECEMBER 31, 2017**

	Award Amount	Prior Years Expenditures	Current Year Expenditures	Total Received	Remaining Balance
<b><u>For the Year Ended 2017</u></b>					
New Mexico Finance Authority Grant Colonias Infrastructure grant # 3366-CIF Settlement date 10/2/15 Expiration date: until all funds are used	\$ 48,751	\$ 36,076	\$ 3,244	\$ 39,320	\$ 9,431

**STATE OF NEW MEXICO**  
**WINTERHAVEN MUTUAL DOMESTIC CONSUMERS AND SEWAGE WORKS ASSOCIATION**  
**EXHIBIT C**  
**BUDGET AND ACTUAL - Modified Cash Basis**

**Statement of Revenues and Expenditures**  
**Budget and Actual**  
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive/(Negative)
	Original	Final		
<b>REVENUES</b>				
Sewer services	\$ 28,500	\$ 28,500	\$ 29,160	\$ 660
Water services	25,000	25,000	25,631	631
Connection charges	400	400	405	5
Late fees	2,000	2,000	2,279	279
Membership fees	300	300	100	(200)
Service calls	-	-	668	668
Installation fees	-	-	630	630
<b>Total revenues</b>	<u>56,200</u>	<u>56,200</u>	<u>58,873</u>	<u>2,673</u>
<b>EXPENDITURES</b>				
Purchased water/waste water services	1,200	1,200	1,117	83
Salaries/contractors	16,500	16,500	16,634	(134)
Accounting/legal	12,000	12,000	12,226	(226)
Taxes/insurance/fees	2,175	2,175	3,171	(996)
Utilities	12,000	12,000	12,909	(909)
System supplies/maintenance	7,500	7,500	5,292	2,208
Office/miscellaneous	1,150	1,150	875	275
Depreciation	55,000	55,000	52,998	2,002
<b>Total expenditures</b>	<u>107,525</u>	<u>107,525</u>	<u>105,222</u>	<u>2,303</u>
Excess (deficiency) of revenues over expenditures	<u>(51,325)</u>	<u>(51,325)</u>	<u>(46,349)</u>	<u>4,976</u>
<b>NONOPERATING REVENUES AND EXPENDITURES</b>				
Grants	36,250	36,250	5,681	(30,569)
Interest	(1,150)	(1,150)	(1,060)	(90)
Rebates and insurance proceeds	-	-	300	300
Capital improvement budgets	(37,000)	(37,000)	-	37,000
<b>Total nonoperating revenues &amp; expenditures</b>	<u>(1,900)</u>	<u>(1,900)</u>	<u>4,921</u>	<u>6,821</u>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing sources</b>	<u>(53,225)</u>	<u>(53,225)</u>	<u>\$ (41,428)</u>	<u>\$ 11,797</u>
Budgeted cash carryover	<u>53,225</u>	<u>53,225</u>		
	<u>\$ -</u>	<u>\$ -</u>		

STATE OF NEW MEXICO  
WINTERHAVEN MUTUAL DOMESTIC WATER CONSUMERS & SEWAGE WORKS ASSOCIATION  
EXHIBIT D  
CAPITAL PROJECTS FUND - NEW MEXICO FINANCE AUTHORITY 3366-CIF

Statement of Revenues and Expenditures  
Budget and Actual  
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget Positive/(Negative)
<b>REVENUES</b>				
Grants	\$ 48,751	\$ 48,751	\$ 39,320	\$ (9,431)
Total revenues	<u>48,751</u>	<u>48,751</u>	<u>39,320</u>	<u>(9,431)</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>48,751</u>	<u>48,751</u>	<u>39,320</u>	<u>9,431</u>
Total expenditures	<u>48,751</u>	<u>48,751</u>	<u>39,320</u>	<u>9,431</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing sources</b>	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Budgeted cash carryover	<u>-</u>	<u>-</u>		
	<u>\$ -</u>	<u>\$ -</u>		

WINTERHAVEN MUTUAL DOMESTIC WATER CONSUMERS & SEWAGE WORKS ASSOCIATION  
BOARD OF DIRECTORS

RESOLUTION NO. 2018-2

WHEREAS, the Winterhaven Mutual Domestic Water Consumers & Sewage Works Association Board of Directors, hereafter referred to as the Winterhaven MDWC & SWA BOD, met in regular session at 748 W. Palms, Las Cruces, New Mexico on January 11, 2018; and

WHEREAS, the Winterhaven MDWC & SWA BOD has developed a budget for calendar year 2017; and

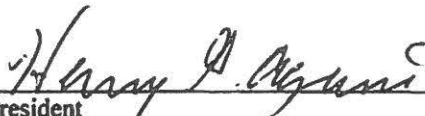
WHEREAS, the final quarterly report has been reviewed and approved to ensure the accuracy of the beginning balances used on the next calendar year budget; and


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 2017;

NOW THEREFORE, BE IT RESOLVED by the Winterhaven MDWC & SWA BOD that:

1. The final quarterly report for calendar year 2017 is accepted and approved.
2. The final quarterly report for calendar year 2017 shall be submitted for approval to the Local Government Division of the Department of Finance and Administration.

RESOLVED in the Governing Board Session this 11<sup>th</sup> day of January 2018.

  
\_\_\_\_\_  
President  
Winterhaven MDWC & SWA BOD

  
\_\_\_\_\_  
Vice-President  
Winterhaven MDWC & SWA BOD

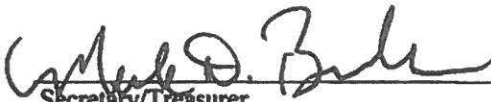
  
\_\_\_\_\_  
Secretary/Treasurer  
Winterhaven MDWC & SWA BOD

EXHIBIT E

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

Winterhaven MDWC & SWA  
 P.O. Box 1296 Las Cruces, NM 88004  
 www.wmdwc.org  
 (575) 526-2445

**Calendar Year**  
**2017**

	<b>APPROVED BUDGET</b>	<b>1st QR: Jan - Mar</b>	<b>2nd QR: Apr - Jun</b>	<b>3rd QR: Jul - Sept</b>	<b>4th QR: Oct - Dec</b>	<b>Year to Date(YTD) Totals</b>	<b>YTD (over)/under BUDGET</b>	<b>% of Budget</b>
<b>Beginning balances:</b>								
Cash	14,761							
Savings	-							
CDs	-							
Investments	-							
<b>Beginning Balance TOTAL</b>	<b>\$ 14,761</b>							
<b>REVENUES</b>								
Water Sales (Water Use Fees)	53,500	13,400	13,699	14,105	13,588	54,791	(1,291)	102%
Connection/Reconnection Charges	400	50	180	100	75	405	(5)	101%
Membership and Meter Sales (Utility Service Fees)	300	0	730	0	0	730	(430)	243%
Late Fees and Penalties (Other Fines and Forfeits)	2,000	553	595	567	563	2,279	(279)	114%
Gross Receipts Tax (Other State shared taxes)	2,675	670	685	711	679	2,745	(70)	103%
Other Operating Revenue (miscellaneous - other)	36,250	108	6,181	0	360	6,649	29,601	18%
<b>TOTAL</b>	<b>\$ 95,125</b>	<b>14,782</b>	<b>22,071</b>	<b>15,483</b>	<b>15,265</b>	<b>67,600</b>	<b>27,525</b>	<b>71%</b>
<b>EXPENDITURES</b>								
Salaries - Operator, Bookkeeper, etc	-	0	0	0	0	0	0	-
Employee Benefits and Expenses	-	0	0	0	0	0	0	-
Electricity	12,000	911	890	812	708	3,322	8,678	28%
Other Utilities - Gas, Water, Sewer, Telephone	1,200	2,562	2,708	2,708	2,433	10,412	(9,212)	868%
System Parts and Supplies	5,000	1,598	891	790	1,458	4,737	263	95%
System Repairs and Maintenance	17,500	4,764	3,706	4,269	3,896	16,635	865	95%
Vehicle Expenses	-	0	0	0	0	0	0	-
Office and Administrative Expenses	300	19	19	145	19	202	98	67%
Professional Services - Accounting, Engineering, Legal	12,000	2,450	4,853	2,669	2,254	12,226	(226)	102%
Insurance	2,000	482	482	482	482	1,928	73	96%
Dues, Fees, Permits and Licenses	600	444	43	33	(1)	519	81	86%
Taxes - Gross Receipts Tax, Water Conservation Fee	2,850	971	989	1,029	999	3,987	(1,137)	140%
Training	-	0	0	0	0	0	0	-
Miscellaneous	38,750	3,604	0	81	2,953	6,638	32,112	17%
<b>Loans</b>								
Annual debt service - Loan 1	2,400	600	600	600	600	2,400	0	100%
Annual debt service - Loan 2	444	111	111	111	111	444	0	100%
<b>TOTAL</b>	<b>\$ 95,044</b>	<b>18,516</b>	<b>15,292</b>	<b>13,728</b>	<b>15,913</b>	<b>63,449</b>	<b>31,595</b>	<b>67%</b>
<b>Ending Balance</b>	<b>14,842</b>					<b>18,912</b>		
<b>LESS: Operating Reserve</b>	<b>-</b>							
<b>Emergency Reserve</b>	<b>10,300</b>							
<b>Capital Improvement Reserve</b>	<b>-</b>							
<b>Debt Reserve</b>	<b>1,776</b>							
<b>Ending Available Cash Balance</b>	<b>\$ 2,768</b>					<b>\$ 18,912</b>		

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.

*Henry L. Aguilar*  
 \_\_\_\_\_  
 President/Chairperson

*1/11/18*  
 \_\_\_\_\_  
 Date

Winterhaven MDWC & SWA  
Statement of Assets, Liabilities, and Equity  
Modified Cash Basis

	Dec 31, 17
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
Bank of the West - Operating	6,836.71
Bank of the West - Debt Service	1,776.00
Bank of the West - Reserve	10,300.00
Total Checking/Savings	18,912.71
Accounts Receivable	
Water & Sewer Customers	2,945.81
Total Accounts Receivable	2,945.81
Other Current Assets	
Construction in Progress	19,380.70
Deposits in Transit	2,049.74
Prepaid Expenses	458.00
Total Other Current Assets	21,888.44
Total Current Assets	43,746.96
Fixed Assets	
Equipment	4,667.00
Water & Sewer System	2,119,910.60
Accumuated Depreciation	-449,755.69
Total Fixed Assets	1,674,821.91
<b>TOTAL ASSETS</b>	<b>1,718,568.87</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
Operating	3,635.49
Total Accounts Payable	3,635.49
Other Current Liabilities	
Gross Receipts Tax Payable	223.71
Total Other Current Liabilities	223.71
Total Current Liabilities	3,859.20
Long Term Liabilities	
Note Payable - City of LC	9,190.65
Note Payable - USDA/RD	10,109.63
Total Long Term Liabilities	19,300.28
Total Liabilities	23,159.48
Equity	
Restricted Net Assets	
Capital Improvement Reserve	10,300.00
Debt Reserve	1,776.00
Total Restricted Net Assets	12,076.00



EXHIBIT F

Winterhaven MDWC & SWA  
Statement of Assets, Liabilities, and Equity  
Modified Cash Basis

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	Dec 31, 17
Unrestricted Net Assets	1,724,761.63
Net Income	-41,428.24
Total Equity	1,695,409.39
TOTAL LIABILITIES & EQUITY	1,718,568.87

EXHIBIT F  
**Winterhaven MDWC & SWA**  
**Statement of Revenue and Expenses**  
**Modified Cash Basis**

	Oct - Dec 17	Jan - Dec 17
Ordinary Income/Expense		
Income		
Sewer Service	7,320.00	29,160.00
Water Service	6,267.65	25,631.27
Connection Charges	75.00	405.00
Installation Fees	0.00	630.00
Late Fees	562.86	2,279.14
Membership Fees	0.00	100.00
Service Calls	59.58	667.54
Total Income	<u>14,285.09</u>	<u>58,872.95</u>
Gross Profit	14,285.09	58,872.95
Expense		
Bank Service Charges	19.40	76.80
Dues and Subscriptions	0.00	509.40
Equipment Rental	81.24	162.47
Insurance	481.75	1,927.00
Interest Expense	252.51	1,059.76
Licenses/Other Taxes	-0.01	9.94
Materials and Supplies	1,457.67	4,735.97
Office Expense	0.00	126.00
Professional Fees		
Accounting/Administrative	2,254.26	12,225.72
Total Professional Fees	2,254.26	12,225.72
Property Taxes	275.00	1,100.00
Purchased Water	284.76	1,117.20
System Operator	3,896.40	16,634.39
Tools & Equipment (Non-Asset)	556.03	556.03
Utilities	3,141.73	12,909.03
Water Conservation Fees	28.58	134.48
Total Expense	<u>12,729.32</u>	<u>53,284.19</u>
Net Ordinary Income	1,555.77	5,588.76
Other Income/Expense		
Other Income		
Grant Revenue	0.00	5,680.72
Rebates	300.04	300.04
Total Other Income	300.04	5,980.76
Other Expense		
Capital Improvements	-586.92	0.00
Depreciation Expense	13,249.44	52,997.76
Total Other Expense	<u>12,662.52</u>	<u>52,997.76</u>
Net Other Income	-12,362.48	-47,017.00
Net Income	<u><u>-10,806.71</u></u>	<u><u>-41,428.24</u></u>

**WINTERHAVEN MUTUAL DOMESTIC WATER CONSUMERS  
AND SEWAGE WORKS ASSOCIATION  
SCHEDULE OF SUMMARY OF FINDINGS AND RESPONSES  
DECEMBER 31, 2017**

**CURRENT YEAR FINDINGS:**

None

**WINTERHAVEN MUTUAL DOMESTIC WATER CONSUMERS  
AND SEWAGE WORKS ASSOCIATION  
SCHEDULE OF SUMMARY OF PRIOR-YEAR FINDINGS  
DECEMBER 31, 2017**

**PRIOR-YEAR FINDINGS:**

None

**WINTERHAVEN MUTUAL DOMESTIC WATER CONSUMERS  
AND SEWAGE WORKS ASSOCIATION  
EXIT CONFERENCE  
DECEMBER 31, 2017**

**Exit Conference:**

The exit conferences were held on May 10, 2018 with the following persons:

Henry Aguirre, 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 Winterhaven Mutual Domestic Water Consumers and Sewage Works Association with the assistance of management.