

WINTERHAVEN MUTUAL DOMESTIC
WATER CONSUMERS AND SEWAGE WORKS ASSOCIATION
AGREED-UPON PROCEDURES
DECEMBER 31, 2016

**WINTERHAVE MUTUAL DOMESTIC WATER CONSUMERS
AND SEWAGE WORKS ASSOCIATION
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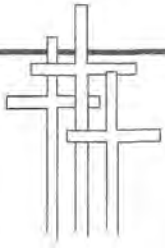
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**WINTERHAVEN MUTUAL DOMESTIC WATER CONSUMERS
AND SEWAGE WORKS ASSOCIATION
OFFICIAL ROSTER
DECEMBER 31, 2016**

HENRY AGUIRRE, PRESIDENT

DON PLATT, VICE-PRESIDENT

MERLE BUCHER, TREASURER



Clifford, Ross & Cooper, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors and New Mexico State Auditor
Tim Keller
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, 2016. 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 JRC

Clifford, Ross & Cooper, CPAs, LLC
Las Cruces, New Mexico
May 2, 2017

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 under "Tiered System Reporting Main Page".
	Finding:	No discrepancies noted.
2)	CASH	
	a)	The Contractor shall 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, 2016: Bank of the West - Operating - \$6,764.94; Bank of the West - Reserve - \$6,220.00; 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)	The Contractor shall perform a random test of bank reconciliations for accuracy. Also, trace ending balances to the general ledger, supporting documentation and the financial reports submitted to DFA-Local Government Division
	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)	The Contractor shall determine whether the local public body's financial institutions have provided it with the 50% of pledged collateral on all uninsured deposits as required by Section 6-10-17 NMSA 1978, NM Public Money Act, if applicable
	Procedure:	The bank statements for the entire fiscal year ending December 31, 2016 were reviewed for balances.
	Finding:	Bank account balances did not exceed the insured limits during the year ended December 31, 2016 and, therefore, pledged collateral was not required for any bank account.
3)	CAPITAL ASSETS	
		The Contractor shall 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	
		The Contractor shall 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. For purposes of performing analytical procedures, we inquired of the Association's management for explanation of all variances of budget to actual of more than 5%.

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)

The Contractor shall test based on auditor judgment the total amount of revenues for the following attributes:
 Select a sample of revenues based on auditor judgment (for purpose of procedures in 3(b) and 3(c), we selected a haphazard sample of recorded revenue transactions to achieve a minimum of 50% coverage) and test using 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.

	Budgeted Amount	Actual Amount	Variance	Percentage
Water Service	\$ 25,000	\$ 25,248	\$ 248	1%
Sewer Service	\$ 28,000	\$ 28,680	\$ 680	2%
Connection Charges	\$ 350	\$ 530	\$ 180	51%
Late Fees	\$ 1,800	\$ 2,063	\$ 263	15%
Membership Fees	\$ 200	\$ 500	\$ 300	150%
Service Calls	\$ 100	\$ 82	\$ (18)	-18%
Installation Fees	\$ -	\$ 175	\$ 175	100%

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

Receipts			
Date	Payer	Description	Amount
2/10/2016	Client Fees	Revenue-Water and Sewer	\$1,347.94
2/17/2016	Client Fees	Revenue-Water and Sewer	\$ 778.12
2/24/2016	Client Fees	Revenue-Water and Sewer	\$ 988.57
2/29/2016	Client Fees	Revenue-Water and Sewer	\$ 485.52
3/7/2016	Client Fees	Revenue-Water and Sewer	\$1,981.86
4/13/2016	Client Fees	Revenue-Water and Sewer	\$ 832.46
4/20/2016	Client Fees	Revenue-Water and Sewer	\$ 911.35
4/27/2016	Client Fees	Revenue-Water and Sewer	\$1,015.19
5/5/2016	Client Fees	Revenue-Water and Sewer	\$1,800.77
6/15/2016	Client Fees	Revenue-Water and Sewer	\$1,367.37
6/22/2016	Client Fees	Revenue-Water and Sewer	\$1,368.29
6/29/2016	Client Fees	Revenue-Water and Sewer	\$ 684.37
7/7/2016	Client Fees	Revenue-Water and Sewer	\$1,791.83
8/10/2016	Client Fees	Revenue-Water and Sewer	\$ 729.13
8/17/2016	Client Fees	Revenue-Water and Sewer	\$1,116.15
8/24/2016	Client Fees	Revenue-Water and Sewer	\$1,405.55
8/31/2016	Client Fees	Revenue-Water and Sewer	\$ 512.09
9/7/2016	Client Fees	Revenue-Water and Sewer	\$1,488.64
10/12/2016	Client Fees	Revenue-Water and Sewer	\$1,162.20
10/19/2016	Client Fees	Revenue-Water and Sewer	\$1,619.47
10/26/2016	Client Fees	Revenue-Water and Sewer	\$ 829.30
11/4/2016	Client Fees	Revenue-Water and Sewer	\$1,669.76
12/14/2016	Client Fees	Revenue-Water and Sewer	\$ 859.38
12/21/2016	Client Fees	Revenue-Water and Sewer	\$1,143.30
12/28/2016	Client Fees	Revenue-Water and Sewer	\$ 487.75
1/6/2017	Client Fees	Revenue-Water and Sewer	\$2,167.17

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								
	The Contractor shall select a sample of cash disbursements based on auditor judgment and test using 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. (For purposes of performing these procedures, disbursements were considered to be properly authorized if they contained evidence of review such as sign off on invoices or approval through correspondence.)							
	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				
	1/14/2016	3625	NM Rural Water Association	Dues	\$ 129.00				
	1/14/2016	3626	El Paso Electric	Utility Payment	\$ 215.30				
	1/14/2016	3633	Omni Site	Wireless service	\$ 276.00				
	2/11/2016	3636	American Hallmark Ins. Co.	Insurance	\$ 168.50				
	2/11/2016	3642	Pure Operations, LLC	Operations & Maintenance	\$ 1,018.32				
	2/11/2016	3644	Rio Grande Pump & Supply	Operations & Maintenance	\$ 76.05				
	3/10/2016	3646	City of Las Cruces	Note Payable payment	\$ 200.00				
	3/10/2016	3650	BluWater Specialties, Inc.	Operations & Maintenance	\$ 1,631.50				
	3/10/2016	3652	Mesilla Valley Accounting , PC	Accounting Services	\$ 764.96				
	4/14/2016	3654	Pure Operations, LLC	Operations & Maintenance	\$ 1,793.69				
	4/14/2016	3659	El Paso Electric	Utility Payment	\$ 222.64				
	4/14/2016	3663	NM Taxation & Revenue	Water conservation fees	\$ 29.60				
	5/12/2016	3666	Dona Ana MDWCA	Utility Payment	\$ 25.97				
	5/12/2016	3670	BluWater Specialties, Inc.	Operations & Maintenance	\$ 373.63				
	6/9/2016	3673	City of Las Cruces	Impact fees	\$ 200.00				
	6/9/2016	3674	Clifford, Ross & Cooper	Accounting Services	\$ 2,437.03				
	6/9/2016	3682	Evoqua Water Technologies,LLC	Operations & Maintenance	\$ 2,002.63				
	7/14/2016	3684	U.S. Postmaster	Postage	\$ 126.00				
	7/14/2016	3693	Pure Operations, LLC	Operations & Maintenance	\$ 1,735.95				
	7/14/2016	3695	Welch Direct Work, Inc.	Operations & Maintenance	\$ 433.25				
	8/11/2016	3703	Engineers, Inc/	Operations & Maintenance	\$ 1,193.70				
	8/11/2016	3704	American Hallmark Ins. Co.	Insurance	\$ 168.50				
	9/8/2016	3706	Occam Engineers, Inc.	Accounting Services	\$ 322.29				
	9/8/2016	3710	Pure Operations, LLC	Operations & Maintenance	\$ 752.50				
	9/8/2016	3711	Mesilla Valley Accounting , PC	Accounting Services	\$ 733.38				
	9/8/2016	3713	BluWater Specialties, Inc.	Operations & Maintenance	\$ 453.69				
	10/13/2016	3715	City of Las Cruces	Impact fees	\$ 200.00				
	10/13/2016	3721	New Mexico 811	Dues	\$ 34.85				
	10/13/2016	3723	Pure Operations, LLC	Operations & Maintenance	\$ 1,156.66				
	10/13/2016	3724	Occam Engineers, Inc.	Operations & Maintenance	\$ 214.65				

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

5)	EXPENDITURES (continued)					
	11/10/2016	3727	BluWater Specialties, Inc.	Operations & Maintenance		\$ 373.63
	11/10/2016	3730	El Paso Electric	Utility Payment		\$ 241.92
	11/10/2026	3732	Pure Operations, LLC	Operations & Maintenance		\$ 1,758.17
	12/8/2016	3734	NM Rural Water Assoc	Dues		\$ 135.00
	12/8/2016	3735	American Hallmark Ins. Co.	Insurance		\$ 168.50
	12/8/2016	3737	Pure Operations, LLC	Operations & Maintenance		\$ 1,447.98
	2/11/2016	ACH	NM Taxation and Revenue	Gross receipts tax		\$ 216.91
	6/9/2016	ACH	NM Taxation and Revenue	Gross receipts tax		\$ 224.75
	8/13/2016	ACH	USDA/RD	Loan payment		\$ 37.00
	12/8/2016	ACH	NM Taxation and Revenue	Gross receipts tax		\$ 221.43
	Results of Procedures 4(a) - 4(c):					
a)	Tested 40 out of 160 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					
	If non-routine journal entries, such as adjustments or reclassifications, are posted to the general ledger, the Contractor shall test significant items for the following attributes:					
a)	Journal entries appear reasonable and have supporting documentation. (A journal entry is considered reasonable if: the explanation is consistent with the nature of the adjustment and the general ledger accounts affected and supporting documentation agrees with the journal entry details.)					
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:					
	Date	Description	Account Number	Debit		Credit
	2/29/19	Deposit in transit	Deposit in Transit	\$1,981.86		
		Deposit in transit	Water & Sewer Customers			\$ 1,981.86
	4/14/2016	Reserve of GJE 375	Operating			\$ 6.94
		Reserve of GJE 375	Bank Service charges	\$ 6.94		
	6/30/2016	Monthly Depreciation Expense	Depreciation expense	\$4,416.48		
		Monthly Depreciation Expense	Accumulated Depreciation			\$ 4,416.48
	8/31/2016	Monthly Sales	Water & Sewer Customers	\$5,141.41		
		Monthly Sales	Water Service			\$ 2,312.07
		Monthly Sales	Sewer Service			\$ 2,400.00
		Monthly Sales	Late Fees			\$ 168.73
		Monthly Sales	Connection Charges			\$ 25.00
		Monthly Sales	Gross Receipts Tax Payable			\$ 235.61
	10/1/2016	Reverse Journal Entry-Deposits in transit	Water & Sewer Customers	\$2,252.32		
		Reverse Journal Entry-Deposits in transit	Deposits in Transit			\$ 2,252.32
	12/31/2016	Reallocate Reserve Balances to DFA/LGD	USDA/RD	\$7,996.00		
		Reallocate Reserve Balances to DFA/LGD	Debt Reserve			\$ 1,776.00
		Reallocate Reserve Balances to DFA/LGD	Capital Improvement Reserve			\$ 6,220.00

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

- 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**
- The Contractor shall 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 Contractor shall 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.
- The Contractor shall test all capital outlay expenditures during the fiscal year to:
- 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 and meet budget, legal requirements and established policies and procedures.
 - 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(s) - 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, 2016

	Award Amount	Prior Years Expenditures	Current Year Expenditures	Total Received	Remaining Balance
<u>For the Year Ended 2016</u>					
New Mexico Finance Authority Grant Colonias Infrastructure grant # 3366-CIF Settlement date 10/2/15 Expiration date: until all funds are used	\$ 48,751	\$ -	\$ 12,675	\$ 12,675	\$ 36,076

Unaudited

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, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget Positive/(Negative)
REVENUES				
Sewer services	\$ 28,000	\$ 28,000	\$ 28,680	\$ 680
Water services	25,000	25,000	25,248	248
Connection charges	350	350	530	180
Late fees	1,800	1,800	2,063	263
Membership fees	200	200	500	300
Service calls	100	100	81	(19)
Installation fees	-	-	175	175
Total revenues	<u>55,450</u>	<u>55,450</u>	<u>57,277</u>	<u>1,827</u>
EXPENDITURES				
Purchased water/waste water services	500	500	697	(197)
Salaries/contractors	17,000	17,000	15,908	1,092
Accounting/legal	11,500	11,500	11,555	(55)
Taxes/insurance/fees	2,125	2,125	3,017	(892)
Utilities	12,000	12,000	12,145	(145)
System supplies/maintenance	7,250	27,750	24,021	3,729
Office/miscellaneous	975	975	903	72
Depreciation	53,000	53,000	52,998	2
Total expenditures	<u>104,350</u>	<u>124,850</u>	<u>121,244</u>	<u>3,606</u>
Excess (deficiency) of revenues over expenditures	<u>(48,900)</u>	<u>(69,400)</u>	<u>(63,967)</u>	<u>5,433</u>
NONOPERATING REVENUES AND EXPENDITURES				
Grants	-	17,500	15,112	(2,388)
Interest	(1,200)	(1,200)	(1,188)	(12)
Rebates and insurance proceeds	-	-	838	838
Capital improvement budgets	(2,500)	-	-	-
Total nonoperating revenues & expenditures	<u>(3,700)</u>	<u>16,300</u>	<u>14,762</u>	<u>(1,538)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing sources	<u>(52,600)</u>	<u>(53,100)</u>	<u>\$ (49,205)</u>	<u>\$ 3,895</u>
Budgeted cash carryover	<u>52,600</u>	<u>53,100</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, 2016

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive/(Negative)
	Original	Final		
REVENUES				
Grants	\$ 48,751	\$ 48,751	\$ 12,675	\$ (36,076)
Total revenues	<u>48,751</u>	<u>48,751</u>	<u>12,675</u>	<u>(36,076)</u>
EXPENDITURES				
Capital outlay	<u>48,751</u>	<u>48,751</u>	<u>12,675</u>	<u>36,076</u>
Total expenditures	<u>48,751</u>	<u>48,751</u>	<u>12,675</u>	<u>36,076</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing sources	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Budgeted cash carryover	<u>-</u>	<u>-</u>		
	<u>\$ -</u>	<u>\$ -</u>		

EXHIBIT E

Winterhaven MDWC & SWA

Budget vs. Actual

January through December 2016

	Jan - Dec 16	Budget	% of Budget
Ordinary Income/Expense			
Income			
Sewer Service	28,680.00	28,000.00	102.4%
Water Service	25,247.76	25,000.00	101.0%
Connection Charges	530.00	350.00	151.4%
Installation Fees	175.00	0.00	100.0%
Late Fees	2,083.00	1,800.00	114.6%
Membership Fees	500.00	200.00	250.0%
Service Calls	81.23	100.00	81.2%
Total Income	57,276.99	55,450.00	103.3%
Cost of Goods Sold			
Purchased Water	696.89	500.00	139.4%
Total COGS	696.89	500.00	139.4%
Gross Profit	56,580.10	54,950.00	103.0%
Expense			
Bad Debts	0.00	250.00	0.0%
Bank Service Charges	83.84	100.00	83.8%
Dues and Subscriptions	542.29	400.00	135.6%
Insurance	1,927.00	2,000.00	96.4%
Interest Expense	1,188.09	1,200.00	99.0%
Licenses/Other Taxes	9.90	25.00	39.6%
Materials and Supplies	4,383.96	6,500.00	67.4%
Office Expense	126.00	200.00	63.0%
Professional Fees			
Accounting/Administrative	11,555.31	11,500.00	100.5%
Total Professional Fees	11,555.31	11,500.00	100.5%
Property Taxes	1,089.64	0.00	100.0%
Repairs and Maintenance	433.25	750.00	57.8%
System Improvements	19,203.79	20,500.00	93.7%
System Operator	15,907.80	17,000.00	93.6%
Utilities	12,144.54	12,000.00	101.2%
Water Conservation Fees	141.03	125.00	112.8%
Total Expense	68,738.54	72,550.00	94.7%
Net Ordinary Income	-12,158.44	-17,600.00	69.1%
Other Income/Expense			
Other Income			
Grant Revenue	15,112.13	17,500.00	86.4%
Insurance Proceeds	820.25	0.00	100.0%
Rebates	219.11	0.00	100.0%
Total Other Income	15,951.49	17,500.00	91.2%
Other Expense			
Depreciation Expense	52,997.78	53,000.00	100.0%
Total Other Expense	52,997.78	53,000.00	100.0%
Net Other Income	-37,046.27	-35,500.00	104.4%
Net Income	-49,202.71	-53,100.00	92.7%

SUSANA MARTINEZ
GOVERNOR



THOMAS E. CLIFFORD, PH.D.
CABINET SECRETARY

RICK LOPEZ
DIRECTOR

BILL R. GARCIA
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

January 28, 2016

Henry Aguirre, President
Winterhaven MDWC & SWA
2990 N. Main Street, Suite 2D
Las Cruces, NM 88001

Dear Mr. Aguirre:

The final budget for your local government entity ("entity") for Calendar Year 2016, as approved by your governing body, has been examined and reviewed. The Department of Finance and Administration, Local Government Division (LGD) finds it has been developed in accordance with applicable statutes and budgeting guidelines, and sufficient resources appear to be available to cover budgeted expenditures. Therefore, in accordance with NMSA 1978, Section 6-6-2-(E) (2011), the LGD grants certification of the entity's final Calendar Year 2016 budget.

Budgets approved by the LGD are required to be made a part of the minutes of your governing body in compliance with NMSA 1978, Section 6-6-5 (1957). In addition, NMSA 1978, Section 6-6-6 (2001) provides that the approved budget is binding on local officials and governing authorities, and any official or governing authority approving claims or paying warrants in excess of the approved budget or available funds will be liable for the excess amounts. Furthermore, state statute requires all revenue sources be expended only for public purposes, and if applicable, in accordance with the Procurement Code, Chapter 13, Article 1, NMSA 1978. Use of public revenue is also governed by Article 9, Section 14 of the Constitution of the State of New Mexico, commonly referred to as the anti-donation clause.

The LGD notes that in accordance with the Budget Certification of Local Public Bodies rule, 2.2.3 NMAC, the most recent audit or "Agreed Upon Procedures" (as specified in 2.2.2.16 NMAC) your entity should have submitted to the Office of the State Auditor ("Auditor") was for Fiscal Year 2014. If your entity has not submitted the audit or "Agreed Upon Procedures" to the Auditor, please send a letter to the LGD and to the Auditor by September 21, 2015 stating when you will achieve compliance with the rule.

Finally, as specified in NMSA 1978, Section 6-6-2 (H) (2011), the LGD is required to approve all transfers between line items and revised budgets for expenditures not included in the final approved budget.

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

Sincerely,

Rick Lopez, Director
Local Government

xc: file

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

	Dec 31, 16
ASSETS	
Current Assets	
Checking/Savings	
Bank of the West - Operating	6,764.94
Bank of the West - Debt Service	1,776.00
Bank of the West - Reserve	6,220.00
Total Checking/Savings	14,760.94
Accounts Receivable	
Water & Sewer Customers	1,799.07
Total Accounts Receivable	1,799.07
Other Current Assets	
Construction in Progress	15,189.68
Deposits in Transit	2,167.17
Prepaid Expenses	593.00
Total Other Current Assets	17,949.85
Total Current Assets	34,509.86
Fixed Assets	
Equipment	4,667.00
Water & Sewer System	2,119,910.60
Accumuated Depreciation	-396,757.93
Total Fixed Assets	1,727,819.67
TOTAL ASSETS	1,762,329.53
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Operating	4,187.54
Total Accounts Payable	4,187.54
Other Current Liabilities	
Gross Receipts Tax Payable	219.84
Total Other Current Liabilities	219.84
Total Current Liabilities	4,407.38
Long Term Liabilities	
Note Payable - City of LC	10,785.46
Note Payable - USDA/RD	10,299.06
Total Long Term Liabilities	21,084.52
Total Liabilities	25,491.90
Equity	
Restricted Net Assets	
Capital Improvement Reserve	6,220.00
Debt Reserve	1,776.00
Total Restricted Net Assets	7,996.00

EXHIBIT F

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

	<u>Dec 31, 16</u>
Unrestricted Net Assets	1,762,854.66
Net Income	<u>-34,013.03</u>
Total Equity	<u>1,736,837.63</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,762,329.53</u></u>

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

	Oct - Dec 16	Jan - Dec 16
Ordinary Income/Expense		
Income		
Sewer Service	7,200.00	28,680.00
Water Service	6,128.77	25,247.76
Connection Charges	100.00	530.00
Installation Fees	0.00	175.00
Late Fees	500.62	2,063.00
Membership Fees	200.00	500.00
Service Calls	81.23	81.23
Total Income	14,210.62	57,276.99
Cost of Goods Sold		
Purchased Water	275.38	696.89
Total COGS	275.38	696.89
Gross Profit	13,935.24	56,580.10
Expense		
Bank Service Charges	20.00	83.94
Dues and Subscriptions	32.80	542.29
Insurance	481.75	1,927.00
Interest Expense	285.15	1,188.09
Licenses/Other Taxes	-0.02	9.90
Materials and Supplies	1,064.91	4,383.96
Office Expense	0.00	126.00
Professional Fees		
Accounting/Administrative	2,573.99	11,555.31
Total Professional Fees	2,573.99	11,555.31
Property Taxes	1,089.64	1,089.64
Repairs and Maintenance	0.00	433.25
System Improvements	445.44	4,014.11
System Operator	4,231.78	15,907.80
Utilities	3,003.24	12,144.54
Water Conservation Fees	28.46	141.03
Total Expense	13,257.14	53,546.86
Net Ordinary Income	678.10	3,033.24
Other Income/Expense		
Other Income		
Grant Revenue	0.00	15,112.13
Insurance Proceeds	0.00	620.25
Rebates	219.11	219.11
Total Other Income	219.11	15,951.49
Other Expense		
Depreciation Expense	13,249.44	52,997.76
Total Other Expense	13,249.44	52,997.76
Net Other Income	-13,030.33	-37,046.27
Net Income	-12,352.23	-34,013.03

**WINTERHAVEN MUTUAL DOMESTIC WATER CONSUMERS
AND SEWAGE WORKS ASSOCIATION
SCHEDULE OF SUMMARY OF FINDINGS AND RESPONSES
DECEMBER 31, 2016**

CURRENT YEAR FINDINGS:

None

**WINTERHAVEN MUTUAL DOMESTIC WATER CONSUMERS
AND SEWAGE WORKS ASSOCIATION
SCHEDULE OF SUMMARY OF PRIOR-YEAR FINDINGS
DECEMBER 31, 2016**

PRIOR-YEAR FINDINGS:

None

**WINTERHAVEN MUTUAL DOMESTIC WATER CONSUMERS
AND SEWAGE WORKS ASSOCIATION
EXIT CONFERENCE
DECEMBER 31, 2016**

Exit Conference:

The exit conferences were held on May 2, 2017 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.