

WINTERHAVEN MUTUAL DOMESTIC
WATER CONSUMERS AND SEWAGE WORKS
ASSOCIATION
AGREED-UPON PROCEDURES
DECEMBER 31, 2018

**WINTERHAVE MUTUAL DOMESTIC WATER CONSUMERS
AND SEWAGE WORKS ASSOCIATION
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DECEMBER 31, 2018**

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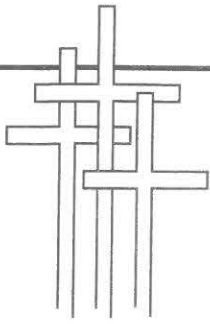
**WINTERHAVEN MUTUAL DOMESTIC WATER CONSUMERS
AND SEWAGE WORKS ASSOCIATION
OFFICIAL ROSTER
DECEMBER 31, 2018**

HENRY AGUIRRE, PRESIDENT

DON PLATT, VICE-PRESIDENT

SAMMY SARABIA, TREASURER

MERLE BUCHER



Clifford, Ross & Cooper, CPAs, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Timothy P. Clifford, CPA • Rodney I. Ross, CPA • Denise S. Cooper, CPA, CFE

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors and New Mexico State Auditor
Brian S. Colon
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, 2018. 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 29, 2019

**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) 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, 2018: Bank of the West - Operating - \$3,618.64; Bank of the West - Reserve - \$13,960.00; 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, 2018 were reviewed for balances.

Finding:

Bank account balances did not exceed the insured limits during the year ended December 31, 2018 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.

	Budgeted Amount	Actual Amount	Variance	Percentage
Water Service	\$ 25,000	\$ 26,447	\$ 1,447	6%
Sewer Service	\$ 28,500	\$ 29,470	\$ 970	3%
Connection Charges	\$ 400	\$ 495	\$ 95	24%
Late Fees	\$ 2,000	\$ 1,984	\$ (16)	-1%
Membership Fees	\$ 300	\$ 200	\$ (100)	-33%
Gross Receipts Tax	\$ 2,675	\$ 2,796	\$ 121	5%
Miscellaneous Other	\$ 30,750	\$ 384	\$ (30,366)	-99%

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

Receipts Date	Payer	Description	Amount
2/6/2018	Client Fees	Revenue-Water and Sewer	\$ 525.25
2/14/2018	Client Fees	Revenue-Water and Sewer	\$1,008.30
2/21/2018	Client Fees	Revenue-Water and Sewer	\$1,847.77
3/6/2018	Client Fees	Revenue-Water and Sewer	\$1,568.06
4/16/2018	Client Fees	Revenue-Water and Sewer	\$1,050.56
4/25/2018	Client Fees	Revenue-Water and Sewer	\$1,535.72
4/30/2018	Client Fees	Revenue-Water and Sewer	\$ 997.59
5/4/2018	Client Fees	Revenue-Water and Sewer	\$ 987.44
6/14/2018	Client Fees	Revenue-Water and Sewer	\$ 965.97
6/21/2018	Client Fees	Revenue-Water and Sewer	\$1,954.30
6/29/2018	Client Fees	Revenue-Water and Sewer	\$1,658.80
7/6/2018	Client Fees	Revenue-Water and Sewer	\$ 968.92
8/10/2018	Client Fees	Revenue-Water and Sewer	\$ 903.23
8/17/2018	Client Fees	Revenue-Water and Sewer	\$ 928.08
8/24/2018	Client Fees	Revenue-Water and Sewer	\$1,234.71
8/31/2018	Client Fees	Revenue-Water and Sewer	\$ 933.00
9/7/2018	Client Fees	Revenue-Water and Sewer	\$ 839.13
10/15/2018	Client Fees	Revenue-Water and Sewer	\$1,909.90
10/23/2018	Client Fees	Revenue-Water and Sewer	\$ 985.14
11/1/2018	Client Fees	Revenue-Water and Sewer	\$1,054.51
11/6/2018	Client Fees	Revenue-Water and Sewer	\$1,427.92
12/6/2018	Client Fees	Revenue-Water and Sewer	\$1,902.78
12/17/2018	Client Fees	Revenue-Water and Sewer	\$1,468.56
12/27/2018	Client Fees	Revenue-Water and Sewer	\$1,947.29
1/7/2019	Client Fees	Revenue-Water and Sewer	\$1,850.44

**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:

<u>Check Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Description</u>	<u>Check Amount</u>
1/11/2018	3872	NM Taxation & Revenue	Water conservation fee	\$ 28.58
1/11/2018	3869	Pure Operations, LLC	Operations & Maintenance	\$ 748.44
1/11/2018	3873	El Paso Electric	Utility Payment	\$ 270.49
1/11/2018	3865	BluWater Specialties, Inc.	Operations & Maintenance	\$ 373.63
2/8/2018	3878	Dona Ana MCWCA	Operations & Maintenance	\$ 99.81
2/8/2018	3880	City of Las Cruces	Utility Payment	\$ 811.09
2/8/2018	3881	Rio Grande Pump & Supply	Operations & Maintenance	\$ 76.05
2/8/2018	3883	Granite Mountain Accounting	Accounting Services	\$ 1,015.43
3/8/2018	3891	BluWater Specialties, Inc.	Operations & Maintenance	\$ 373.63
3/8/2018	3895	Pure Operations, LLC	Operations & Maintenance	\$ 1,233.54
4/12/2018	3900	City of Las Cruces	Utility Payment	\$ 877.49
4/12/2018	3905	Dona Ana County Treasurer	Operations & Maintenance	\$ 529.36
4/12/2018	3906	Pure Operations, LLC	Operations & Maintenance	\$ 918.54
5/10/2018	3911	Evoqua Water Technologies	Operations & Maintenance	\$ 1,968.15
5/10/2018	3914	Pure Operations, LLC	Operations & Maintenance	\$ 823.47
5/10/2018	3913	BluWater Specialties, Inc.	Operations & Maintenance	\$ 460.33
6/14/2018	ACH	NM Taxation & Revenue	Gross receipts tax	\$ 232.28
6/14/2018	3921	City of Las Cruces	Utility Payment	\$ 877.49
6/14/2018	3923	Pure Operations, LLC	Operations & Maintenance	\$ 1,239.93
7/12/2018	3927	American Hallmark	Insurance	\$ 331.20
7/12/2018	3930	Granite Mountain Accounting	Accounting Services	\$ 913.89
7/12/2018	3932	Rio Grande Pump & Supply	Operations & Maintenance	\$ 20.31
8/9/2018	3941	El Paso Electric	Utility Payment	\$ 309.58
8/9/2018	3943	BluWater Specialties, Inc.	Operations & Maintenance	\$ 400.31
8/9/2018	3945	Pure Operations, LLC	Operations & Maintenance	\$ 1,177.51
9/13/2018	3948	American Hallmark	Insurance	\$ 173.10
9/13/2018	3951	BluWater Specialties, Inc.	Operations & Maintenance	\$ 373.63
9/13/2018	3952	Granite Mountain Accounting	Accounting Services	\$ 1,077.99
9/13/2018	3954	Pure Operations, LLC	Operations & Maintenance	\$ 1,249.12
10/11/2018	ACH	NM Taxation & Revenue	Gross receipts tax	\$ 236.65
10/11/2018	3958	Dona Ana MDWCA	Operations & Maintenance	\$ 102.76
10/11/2018	3963	Pure Operations, LLC	Operations & Maintenance	\$ 1,400.26
10/13/2018	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

5) EXPENDITURES (continued)					
	11/30/2018	3973	Dona Ana County Treasurer	Property taxes	\$ 543.22
	11/8/2018	3968	El Paso Electric	Utility Payment	\$ 218.78
	11/8/2018	3969	Evoqua Water Technologies	Operations & Maintenance	\$ 527.31
	12/13/2018	3974	City of Las Cruces	Utility Payment	\$ 200.00
	12/13/2018	3978	El Paso Electric	Utility Payment	\$ 277.18
	12/13/2018	3979	City of Las Cruces	Utility Payment	\$ 877.49
	12/13/2018	3984	Pure Operations LLC	Operations & Maintenance	\$ 1,950.01
	12/13/2018	3985	Stantec Consulting Svs.	Operations & Maintenance	\$ 1,090.57

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

- a)** Tested 41 out of 161 (42%) 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:

Date	Description	Account		Debit	Credit
		Number			
2/28/2018	Deposit in transit	Deposit in Transit		\$ 1,568.06	
	Deposit in transit	Water & Sewer Customers			\$ 1,568.06
4/1/2018	Reverse Journal Entry-Deposit in transit	Water & Sewer Customers		\$ 601.57	
	Reverse Journal Entry-Deposit in transit	Deposit in Transit			\$ 601.57
6/30/2018	Monthly Depreciation Expense	Depreciation expense		\$ 4,416.48	
	Monthly Depreciation Expense	Accumulated Depreciation			\$ 4,416.48
8/31/2018	Monthly Sales	Water & Sewer Customers		\$ 5,013.35	
	Monthly Sales	Water Service			\$ 2,280.46
	Monthly Sales	Sewer Service			\$ 2,400.00
	Monthly Sales	Late Fees			\$ 98.87
	Monthly Sales	Gross Receipts Tax Payable			\$ 234.02
10/31/2018	Deposit in transit	Deposits in Transit		\$ 1,054.51	
	Deposit in transit	Deposits in Transit		\$ 1,427.82	
	Deposit in transit	Water & Sewer Customers			\$ 2,472.43
12/31/2018	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, Force Main and Rock Wall Project (3366-CIF) \$26,168.30.
- 2) Obtained copy of status reports and reviewed submission to the state agencies and timeliness of submissions.
- 3) Observed the existence of the Water project by driving by to its location and noting it does exist.
- 4) First funding noted in December 2018
- 5) Obtained copies of all reimbursement requests, reviewed all backup documentation, reconciled to budgeted project and reviewed for proper approval fro the board, management and DFA.

Findings:

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, 2018

	Award Amount	Prior Years Expenditures	Current Year Expenditures	Total Received	Remaining Balance
<u>For the Year Ended 2018</u>					
New Mexico Finance Authority Grant Colonias Infrastructure grant # 3366-CIF Settlement date 10/2/15 Expiration date: December 2, 2018	\$ 48,751	\$ 15,919	\$ 27,268	\$ 43,187	\$ 5,564

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget Positive/(Negative)
REVENUES				
Sewer services	\$ 28,500	\$ 28,500	\$ 29,470	\$ 970
Water services	25,000	25,000	26,447	1,447
Connection charges	400	400	495	95
Late fees	2,000	2,000	1,984	(16)
Membership fees	300	300	200	(100)
Gross receipts tax	2,675	2,675	2,796	121
Other operating receipts	-	-	384	384
Total revenues	58,875	58,875	61,776	2,901
EXPENDITURES				
Utilities	13,200	13,200	13,528	(328)
System supplies/maintenance	22,500	22,500	19,472	3,028
Professional services	14,250	14,250	12,487	1,763
Office/miscellaneous	300	300	247	53
Dues, fees, permits and licenses	600	600	1,500	(900)
Taxes/insurance/fees	4,850	4,850	4,849	1
Miscellaneous	31,000	31,000	6,952	24,048
Total expenditures	86,700	86,700	59,035	27,665
Excess (deficiency) of revenues over expenditures	(27,825)	(27,825)	2,741	30,566
NONOPERATING REVENUES AND EXPENDITURES				
Grants	30,750	30,750	3,579	(27,171)
Annual debt service	(2,844)	(2,844)	(2,400)	(444)
Rebates and insurance proceeds	-	-	-	-
Capital improvement budgets	-	-	-	-
Total nonoperating revenues & expenditures	27,906	27,906	1,179	(26,727)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing sources	81	81	\$ 3,920	\$ 3,839
Budgeted cash carryover	-	-		
	\$ 81	\$ 81		

**STATE OF NEW MEXICO
WINTERHAVEN MUTUAL DOMESTIC WATER CONSUMERS & SEWAGE WORKS ASSOCIATION
EXHIBIT D
MFA**

**Statement of Revenues and Expenditures
Budget and Actual
For the Year Ended December 31, 2018**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget Positive/(Negative)
REVENUES				
Loan/Grant	\$ 48,751	\$ 48,751	\$ 27,268	\$ (21,483)
Total revenues	48,751	48,751	27,268	(21,483)
EXPENDITURES				
Capital outlay	48,751	48,751	27,268	21,483
Total expenditures	48,751	48,751	27,268	21,483
Excess (deficiency) of revenues over expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing sources	-	-	<u>\$ -</u>	<u>\$ -</u>
Budgeted cash carryover	-	-		
	<u>\$ -</u>	<u>\$ -</u>		

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

RESOLUTION NO. 2019-02

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 10, 2019; and

WHEREAS, the Winterhaven MDWC & SWA BOD has developed a budget for calendar year 2018; 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 2018;

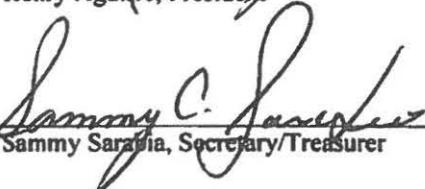
NOW THEREFORE, BE IT RESOLVED by the Winterhaven MDWC & SWA BOD that:

1. The final quarterly report for calendar year 2018 is accepted and approved.
2. The final quarterly report for calendar year 2018 shall be submitted for approval to the Local Government Division of the Department of Finance and Administration.

RESOLVED in the Governing Board Session this 10th day of January 2019.


Henry Aguirre, President


Don Platt, Vice-President


Sammy Sarabia, Secretary/Treasurer


Cheryle Clark, Director

EXHIBIT E

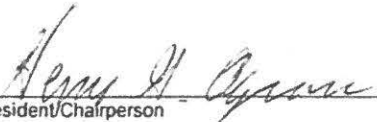
MDWCA Name:
Mailing Address:
Email Address:
Phone number:

Winterhaven MDWC & SWA
 P.O. Box 1296, Las Cruces, NM 88004
 dan@winterhavenmdwc.com
 (575) 526-2445

Calendar Year
2018

	APPROVED BUDGET	1st QR: Jan - Mar	2nd QR: Apr - Jun	3rd QR: Jul - Sept	4th QR: Oct -Dec	Year to Date(YTD) Totals	YTD (over)/under BUDGET	% of Budget
Beginning balances:								
Cash	18,913							
Savings	-							
CDs	-							
Investments	-							
Beginning Balance TOTAL	\$ 18,913							
REVENUES								
Water Sales (Water Use Fees)	53,500	13,745	13,861	14,071	14,240	55,917	(2,417)	105%
Connection/Reconnection Charges	400	150	50	50	245	495	(95)	124%
Membership and Meter Sales (Utility Service Fees)	300	200	0	0	0	200	100	67%
Late Fees and Penalties (Other Fines and Forfeits)	2,000	619	548	365	452	1,984	16	99%
Gross Receipts Tax (Other State shared taxes)	2,675	687	693	704	712	2,796	(121)	105%
Other Operating Revenue (miscellaneous - other)	30,750	131	114	11	128	384	30,366	1%
TOTAL	\$ 89,625	15,532	15,266	15,200	15,777	61,776	27,849	69%
EXPENDITURES								
Salaries - Operator Bookkeeper, etc	-	0	0	0	0	0	0	-
Employee Benefits and Expenses	-	0	0	0	0	0	0	-
Electricity	2,700	828	730	730	717	3,004	(304)	111%
Other Utilities - Gas, Water, Sewer, Telephone	10,500	2,500	2,632	2,760	2,632	10,524	(24)	100%
System Parts and Supplies	5,000	989	1,988	604	846	4,427	573	89%
System Repairs and Maintenance	17,500	3,617	3,872	2,889	4,667	15,045	2,455	86%
Vehicle Expenses	-	0	0	0	0	0	0	-
Office and Administrative Expenses	300	20	19	154	54	247	53	82%
Professional Services - Accounting, Engineering, Legal	14,250	2,724	4,960	2,036	2,767	12,487	1,763	88%
Insurance	2,000	482	482	482	482	1,927	73	96%
Dues, Fees, Permits and Licenses	600	315	49	39	1,098	1,500	(900)	250%
Taxes - Gross Receipts Tax, Water Conservation Fee	2,850	717	725	745	734	2,922	(72)	103%
Training	-	0	0	0	0	0	0	-
Miscellaneous	31,000	2,642	1,718	390	2,203	6,952	24,048	22%
Annual debt service - Loan 1	2,400	600	600	600	600	2,400	0	100%
Annual debt service - Loan 2	444					0	444	0%
TOTAL	\$ 89,644	15,433	17,775	11,427	16,800	61,435	28,109	69%
Ending Balance	18,994					19,254		
LESS: Operating Reserve	-							
Emergency Reserve	10,300							
Capital Improvement Reserve	-							
Debt Reserve	1,776							
Ending Available Cash Balance	\$ 6,918					\$ 19,254		

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.


 President/Chairperson

Date 11/10/19

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

	Dec 31, 18
ASSETS	
Current Assets	
Checking/Savings	
Bank of the West - Operating	3,518.13
Bank of the West - Debt Service	1,776.00
Bank of the West - Reserve	13,960.00
Total Checking/Savings	19,254.13
Accounts Receivable	
Water & Sewer Customers	2,256.63
Total Accounts Receivable	2,256.63
Other Current Assets	
Construction in Progress	22,956.88
Deposits in Transit	1,850.44
Prepaid Expenses	781.20
Total Other Current Assets	25,588.52
Total Current Assets	47,099.28
Fixed Assets	
Equipment	4,667.00
Water & Sewer System	2,119,910.60
Accumuated Depreciation	-502,753.45
Total Fixed Assets	1,621,824.15
TOTAL ASSETS	1,668,923.43
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Operating	4,925.89
Total Accounts Payable	4,925.89
Other Current Liabilities	
Gross Receipts Tax Payable	258.88
Total Other Current Liabilities	258.88
Total Current Liabilities	5,184.77
Long Term Liabilities	
Note Payable - City of LC	7,463.49
Note Payable - USDA/RD	9,916.18
Total Long Term Liabilities	17,379.67
Total Liabilities	22,564.44
Equity	
Restricted Net Assets	
Capital Improvement Reserve	13,960.00
Debt Reserve	1,776.00
Total Restricted Net Assets	15,736.00

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

	Oct - Dec 18	Jan - Dec 18
Ordinary Income/Expense		
Income		
Sewer Service	7,710.00	29,470.00
Water Service	6,529.89	26,447.04
Administrative Fees	25.00	61.00
Connection Charges	245.00	495.00
Late Fees	452.48	1,984.02
Membership Fees	0.00	200.00
Returned Check Fees	0.00	0.00
Service Calls	102.54	322.97
Total Income	15,064.91	58,980.03
Gross Profit	15,064.91	58,980.03
Expense		
Bad Debts	185.67	850.05
Bank Service Charges	54.00	112.60 ^a
Dues and Subscriptions	38.77	431.08
Equipment Rental	0.00	81.24
Insurance	481.75	1,927.00 ^c
Interest Expense	217.23	923.39
Licenses/Other Taxes	0.00	10.01
Materials and Supplies	845.69	4,921.96
Office Expense	0.00	134.00 ^b
Professional Fees		
Accounting/Administrative	2,705.73	13,011.88
Legal Fees	61.74	267.53
Total Professional Fees	2,767.47	13,279.41
Property Taxes	1,058.88	1,058.88
Purchased Water	308.28	1,216.89
Repairs and Maintenance	974.79	4,069.45
System Operator	4,666.88	15,950.49
Utilities	3,349.46	13,528.40 ^d
Water Conservation Fees	44.39	116.62
Total Expense	14,993.26	58,611.47
Net Ordinary Income	71.65	368.56
Other Income/Expense		
Other Income		
Grant Revenue	2,328.80	3,578.80
Total Other Income	2,328.80	3,578.80
Other Expense		
Capital Improvements	-4,253.73	0.00
Depreciation Expense	13,249.44	52,997.76
Total Other Expense	8,995.71	52,997.76
Net Other Income	-6,666.91	-49,418.96
Net Income	-6,595.26	-49,050.40

EXHIBIT F

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

	<u>Dec 31, 18</u>
Unrestricted Net Assets	1,721,101.63
Retained Earnings	-41,428.24
Net Income	-49,050.40
Total Equity	<u>1,646,358.99</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,668,923.43</u></u>

**WINTERHAVEN MUTUAL DOMESTIC WATER CONSUMERS
AND SEWAGE WORKS ASSOCIATION
SCHEDULE OF SUMMARY OF FINDINGS AND RESPONSES
DECEMBER 31, 2018**

CURRENT YEAR FINDINGS:

None

**WINTERHAVEN MUTUAL DOMESTIC WATER CONSUMERS
AND SEWAGE WORKS ASSOCIATION
SCHEDULE OF SUMMARY OF PRIOR-YEAR FINDINGS
DECEMBER 31, 2018**

PRIOR-YEAR FINDINGS:

None

**WINTERHAVEN MUTUAL DOMESTIC WATER CONSUMERS
AND SEWAGE WORKS ASSOCIATION
EXIT CONFERENCE
DECEMBER 31, 2018**

Exit Conference:

The exit conferences were held on May 30, 2019 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.