



Montemayor Britton Bender PC
CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors and Management
Texas Alliance of Groundwater Districts

**INDEPENDENT ACCOUNTANT'S
AGREED-UPON PROCEDURES REPORT**

At your request and agreement, we have performed the procedures enumerated below, which were agreed to by the Board of Directors and Management ("specified parties"), solely to assist you in assessing the validity and accuracy of Texas Alliance of Groundwater Districts' (TAGD) financial records and transactions for the two years ended 30 September 2021. The specified parties are responsible for the validity and accuracy of TAGD's financial records and transactions.

TAGD's Board of Directors and Management has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assessing the validity and accuracy of TAGD's financial records and transactions for the two years ended 30 September 2021. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

An agreed-upon procedures engagement involves the practitioner performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

TAGD's management responses to the finding presented in this report (in *italics* below) were not subjected to any testing procedures, and accordingly, we express no assurance on them.

2110 BOCA RATON DRIVE
BUILDING B, SUITE 102
AUSTIN, TEXAS 78747
PHONE: 512.442.0380
FAX: 512.442.0817
www.montemayor.team



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Procedures Performed and Related Findings:

1. A. We agreed membership dues per the membership lists prepared by management for the two years 30 September 2021 to the general ledger.

Recalculated membership dues	\$332,142
Membership dues per general ledger	<u>332,518</u>
Difference	<u>\$(376)</u>
- B. We agreed meeting fees per the meeting fee reports provided by management for the January 2021 and June 2021 meetings to the general ledger.

Meeting fees per schedules	\$17,265
Meeting fees per general ledger	<u>17,265</u>
Difference	<u>\$0</u>

MANAGEMENT RESPONSE TO ITEM 1A:

With respect to the difference between the general ledger and the recalculation, it appears that this is the result of a TAGD member that changed their membership level between the two years covered by this review, but whose membership level in our member management software, Wild Apricot, was not updated. This would have caused this apparent discrepancy because Wild Apricot membership levels were used in the recalculation. While TAGD staff typically makes the relevant change in Wild Apricot when membership levels change, we have not historically conducted an annual, global review. In future years, we will conduct such a review of Wild Apricot membership levels to ensure they are updated annually to reflect any changes.

2. We recalculated the September 2021 bank reconciliation for the PayPal, Wells Fargo Bank Checking, Wells Fargo Bank Savings and Wells Fargo Bank Certificate of Deposit accounts and vouched outstanding transactions to the subsequent bank statement and/or the bank's website.

Findings: No exceptions.

3. Vouch a haphazardly selected sample of sixteen expense transactions to the supporting documentation and canceled checks.

Findings: No exceptions.



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4. Vouch salaries and pay rates to available documentation for one of two employees, and recalculate payroll taxes and benefits.

Findings: Recalculated for Julia Stanford.

Salary recalculated per contract	\$112,717
Salary per general ledger	<u>112,738</u>
Difference	<u><u>\$(21)</u></u>

Salary recalculated per contract	\$112,717
FICA/Medicare tax rate	<u>X .0765</u>
Payroll taxes recalculated	8,623
Payroll taxes per general ledger	<u>8,624</u>
Difference	<u><u>\$(1)</u></u>

Salary per contract	\$112,717
Less salary earned during 90 day probationary period	<u>(12,717)</u>
Salary eligible for employer retirement contribution	100,000
FICA/Medicare tax rate	<u>X .06</u>
Employer retirement contribution recalculated	6,000
Employer retirement contribution per general ledger	<u>6,000</u>
Difference	<u><u>\$0</u></u>

MANAGEMENT RESPONSE TO ITEM 4:

The \$21 difference reflected in the salary is a result the methodology employed in recalculating Julia's salary during her first month of employment, when she started on October 7, 2019. TAGD's payroll service assigns hours per month equally over each of the 12 months of the year and multiplies that number by an hourly rate for an equal paycheck each month, meaning a change in



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the number of days per month does not affect the amount of a paycheck. In conducting this recalculation, the auditor utilized a daily salary rate for the 23 working days in October and multiplied that amount by the 19 days that Julia was employed during October 2019. These slightly different methodologies lead to this \$21 difference (\$3,738 vs. \$3,717).

5. Examine supporting documentation for six subsequent deposits recorded in the general ledger in October 2021 and agree to accounts receivable listing, if applicable.

Findings: There were five deposit transactions in the October 2021 general ledger; therefore, we were unable to test six transactions. There were no findings noted in the five transactions tested.

6. Examine supporting documentation for six subsequent cash disbursements recorded in the general ledger in October 2021 and agree to accounts payable listing, if applicable.

Findings: No exceptions.

We were engaged by the Board of Directors and management to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the subject matter in paragraph one above. 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.

We are required to be independent of TAGD's financial records and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

The report is intended solely for the information and use of the Board of Directors and Management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Montygn Britton Bender PC

10 January 2022
Austin, Texas