



KRIEGEL/GRAY/SHAW & CO., P.C.

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STATE OF NEW MEXICO

DESERT AIRE MUTUAL DOMESTIC WATER AND SEWER WORKS ASSOCIATION

AGREED UPON PROCEDURES

JUNE 30, 2013

**STATE OF NEW MEXICO
DESERT AIRE MUTUAL DOMESTIC WATER AND
SEWER WORKS ASSOCIATION**

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JUNE 30, 2013**

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**STATE OF NEW MEXICO
DESERT AIRE MUTUAL DOMESTIC WATER AND
SEWER WORKS ASSOCIATION**

**OFFICIAL ROSTER
JUNE 30, 2013**

Board of Directors

<u>Name</u>	<u>Title</u>
<i>William Miranda</i>	<i>President</i>
<i>Javier Aguirre</i>	<i>Vice President</i>
<i>Carolyn Massey</i>	<i>Secretary</i>
<i>Daniel Herrera</i>	<i>Treasurer</i>
<i>Tim McAuley</i>	<i>Member at Large</i>

STATE OF NEW MEXICO
DESERT AIRE MUTUAL DOMESTIC WATER AND
SEWER WORKS ASSOCIATION
SCHEDULE OF CAPITAL OUTLAY AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Award	Received to Date	Expended to Date	Remaining Balance
New Mexico - DFA Local Government Division				
2010 Colonias Initiative 10-1283 Capital Appropriation Effective Dates: February 2, 2011 - June 30, 2012	\$65,000	\$62,573	\$62,573	\$2,427
2010 CDBG Planning Grant 10-C-NR-I-06-A-104 November 10, 2010 - November 10, 2011	\$50,000	\$50,000	\$50,000	\$0
2012 NMFA Planning Grant 2488-PG October 12, 2012 - October 12, 2013	\$50,000	\$48,403	\$48,403	\$1,597
2012 Colonias Infrastructure Grant 2777-CIF April 5, 2013 - April 5, 2033	\$114,367	\$0	\$0	\$114,367
2012 Colonias Infrastructure Grant 2775-CIF April 5, 2013 - April 5, 2033	\$242,000	\$0	\$0	\$242,000

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED UPON PROCEDURES**

Desert Aire Mutual Domestic Water and Sewer Works Association
and State of New Mexico
Office of the State Auditor

We have performed the procedures enumerated below, which were agreed to by Desert Aire Mutual Domestic Water and Sewer Works Association and the State of New Mexico Office of the State Auditor, solely to assist you with respect to the Tier 5 requirements of the Audit Act – Section 12-6-3 B (5) NMSA 1978 and Section 2.2.2 16 NMAC as of and for the year ending June 30, 2013. Desert Aire Mutual Domestic Water and Sewer Works Association's management is responsible for the company's accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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 results are as follows:

1. **Cash**

Procedure – We reviewed 100% of the bank reconciliations of Desert Aire Mutual Domestic Water and Sewer Works Association.

Result – All bank reconciliations are being performed in a timely manner and all bank and investment statements for the fiscal year are complete and on-hand.

Procedure – We randomly selected sixteen bank reconciliations of Desert Aire Mutual Domestic Water and Sewer Works Association to determine if they were accurate and they agreed to the general ledger, supporting documentation, and financial reports presented to the Board of Directors.

Result – Bank reconciliations were accurate, agreed to the general ledger, supporting documentation, and financial reports.

Procedure – We reviewed the supporting documentation provided by the financial institutions of Desert Aire Mutual Domestic Water and Sewer Works Association to determine if they have provided the Association with the 50% of pledged collateral on all uninsured deposits as required by Section 6-10-17 NMSA 1978, NM Public Money Act, where applicable.

Result – All accounts were fully insured, no pledged collateral required.

2. **Capital Assets**

Procedure – We inquired as to whether the Association was performing a yearly capital asset inventory as required by Section 12-6-10 NMSA 1978.

Result – We could not review the annual inventory of Desert Aire Mutual Domestic Water and Sewer Works Association. There was no yearly inventory performed as required by Section 12-6-10 NMSA 1978.

Recommendation – Obtain the capital asset schedule from the accountant and perform the inventory annually.

3. **Revenue**

Procedure – We identified the nature and amount of revenue from sources by reviewing the budget, agreements, rate schedules, and underlying documentation. We also performed an analytical review; tested actual revenue compared to budgeted revenue for the year for each type of revenue.

Result – All revenues appeared reasonable based on the analytical performed in comparison to budgeted revenue.

Procedure – We selected all transactions for six judgmentally selected months for the following attributes:

- Amount recorded in the general ledger agrees to the supporting documentation and the bank statement.

Result – There were no exceptions noted.

4. **Expenditures**

Procedure – We selected a haphazard sample of cash disbursements and tested 40 transactions for the following attributes:

- Determine that amount recorded as disbursed agrees to adequate supporting documentation. Verified the amount, payee, date and description agree to the vendor's invoice, purchase order, contract, and canceled check, as appropriate.

Result – Three (of 40 disbursements) had no supporting invoice or documentation.

Recommendation – Procedures should be documented and implemented that require all supporting documentation to be maintained for every disbursement.

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

Result – There was no approval/authorization process for six disbursements.

Recommendation – A board member (other than the board member assigned to run the office) should come by the office once a week to approve/authorize the disbursement checks prior to disbursing.

Procedure – 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).

Result – No exceptions noted.

5. Journal Entries

After review of the financial records of Desert Aire Mutual Domestic Water and Sewer Association we determined that there were three non-routine journal entries that were posted to the general ledger.

Procedure – We tested all three for the following attributes:

- Journal entries appear reasonable and have supporting documentation.

Result – The local public body does not have procedures that require journal entries to be reviewed. There is no evidence that reviews are being performed.

Recommendation – Obtain the list of journal entries posted each month from the accountant. Review the journal entries, document the review with initials or a signature and maintain documentation of reviewed journal entries in a systematic manner.

6. Budget

Procedure – Through a review of the minutes and correspondence, we verified that the original budget was approved by the Board of Directors and DFA-LGD.

Result – Budget properly approved.

Procedure – Review budget to actual expenditures for compliance with the legal level of budgetary control.

Result – We determined that actual expenditures exceeded the final budget at the legal level of budgetary control. Management rarely compares the budget to actuals.

Recommendation – Evaluate the budget to actual on a monthly basis to ensure spending is within the approved budget. Prepare and approve budget adjustments as necessary.

Procedure – Prepare a schedule of revenue and expenditures - budget and actual on the budgetary basis.

Result – We have prepared a schedule of revenues and expenditures – budget and actual on the budgetary basis used by Desert Aire Mutual Domestic Water and Sewer Works Association for the general operating fund.

7. Capital Outlay Appropriations

After review of the requested grant agreements and reimbursement requests, we tested for the following attributes:

Procedure – Determine that amount recorded as disbursed agrees to adequate supporting documentation. Verified that amount, payee, date and description agree to the vendor's invoice, purchase order, contract and canceled check, as appropriate.

Result – No exceptions were noted.

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

Result – Seven exceptions noted.

There was no approval/authorization process for disbursements. All disbursements (after they have been disbursed) are presented to the board during the monthly meeting.

Recommendation – A board member (other than the board member assigned to run the office) should come by the office once a week to approve/authorize the disbursement checks prior to disbursing.

Procedure – 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 13431 NMAC).

Result – No exceptions noted.

Procedure – Determine the physical existence (by observation) of the capital asset based on expenditures to date.

Result – All capital outlay expended was for preliminary engineering reports and plans for future capital assets. Reports and plans reviewed.

Procedure – 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.

Result – One (out of two) Status report for the NMFA Planning Grant was missing.

Recommendation – All grant documentation including any required reports should be maintained by the District in an organized and readily available manner.

Procedure – If the project is complete, determine if there is an unexpended balance and whether it was reverted per statute and agreement with the grantor.

Result – One project was completed and fully expended during fiscal year 2013; no reversion necessary.

Procedure – 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.

Result – Based on review of the bank statements and general ledger, we determined that the capital outlay awards for the CDBG grant are kept in a separate bank account which is non-interest bearing. Awards from the Colonias Initiative grant are kept in a separate non interest-bearing account. Awards from the NMFA grant are kept in a non-interest bearing account by the New Mexico Finance Authority. All are in agreement with grant requirements.

Procedure – Determine whether reimbursement requests were properly supported by costs incurred by the recipient.

Result – All costs for reimbursement requests were supported by costs incurred by the recipient.

Procedure – Determine whether the costs were paid by the local public body prior to the request for reimbursement.

Result – The reimbursement requests were requested prior to payment of the vendor by the District as agreed with the grantor.

No other information came to our attention indicating any fraud or illegal acts. We were not engaged to, and did not conduct an audit, the objective of which would be these expression of an opinion on the accounting records or the schedule of revenues, expenditures, and changes in net assets (budgetary basis and actual). Accordingly, we do not express such an opinion. 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 Desert Aire Mutual Domestic Water and Sewer Works Association management, others within the association, the Board of Directors, the State Auditor, and the New Mexico Legislature and is not intended to be and should not be used by anyone other than those specified parties.

Kriegel/Gray/Shaw & Co., P.C.
Kriegel/Gray/Shaw & Co., P.C.

April 22, 2015

**STATE OF NEW MEXICO
DESERT AIRE MUTUAL DOMESTIC WATER AND
SEWER WORKS ASSOCIATION**

GENERAL OPERATING FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET ASSETS

BUDGETARY BASIS AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budget Original	Budget Final	Actual	Variance Favorable (Unfavorable)
OPERATING REVENUES:				
Meter Hook Ups	\$12,000	\$12,000	\$11,350	(\$650)
Water Sales, Tax, & Fees	112,000	112,000	112,152	152
Reconnection Fees & Fines	1,000	1,000	0	(1,000)
Miscellaneous Income	1,000	1,000	1,475	475
Non-Refundable Deposits	1,000	1,000	550	(450)
<i>Total operating revenues</i>	127,000	127,000	125,527	(1,473)
OPERATING EXPENSES:				
Accounting Fees	3,400	3,400	4,086	(686)
Advertising	700	700	0	700
Audit	4,350	4,350	6,605	(2,255)
Auto Expenses	700	700	1,028	(328)
Bank Charges	1,300	1,300	471	829
Board Expenses-Cell Phone	1,300	1,300	1,035	265
Board Expense - Lodging	500	500	990	(490)
Board Expenses-Meals & Entertainment	1,000	1,000	507	493
Board Expenses-Training	1,200	1,200	1,225	(25)
Board Expenses-Travel	3,500	3,500	2,274	1,226
Board Expense-Meetings	200	200	0	200
Disposal Coupons	0	0	1,246	(1,246)
Dues, Fees, & Subscriptions	600	600	125	475
Insurance - Liability	5,020	5,020	6,049	(1,029)
Legal Fees	500	500	3,039	(2,539)
Office Expense	5,125	5,125	3,321	1,804
Pest Control	100	100	80	20
Postage	1,600	1,600	1,968	(368)
Professional Fees	2,000	2,000	6,308	(4,308)
Rent - Equipment	200	200	150	50
Repairs & Maintenance	4,200	4,200	209	3,991
Repairs & Maintenance (Well)	17,800	17,800	21,759	(3,959)
Supplies	800	800	1,225	(425)
Wages	28,000	28,000	24,895	3,105
Taxes - GRT	6,300	6,300	5,919	381
Taxes - Payroll	2,700	2,700	2,074	626
Taxes - Property	1,150	1,150	764	386
Taxes - WC1 Assessment Fee	30	30	15	15
Taxes - Water Conservation	800	800	609	191
Utilities - Disposal	250	250	165	85
Utilities - Electricity	2,500	2,500	1,461	1,039
Utilities - Electricity - Well	12,500	12,500	13,817	(1,317)
Utilities - Internet	705	705	712	(7)
Utilities - Telephone - Well	440	440	499	(59)
Utilities - Telephone - Office	2,710	2,710	3,035	(325)
<i>Total operating expenses</i>	114,180	114,180	117,665	(3,485)

Unaudited

**STATE OF NEW MEXICO
DESERT AIRE MUTUAL DOMESTIC WATER AND
SEWER WORKS ASSOCIATION**

GENERAL OPERATING FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET ASSETS

BUDGETARY BASIS AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budget Original	Budget Final	Actual	Variance Favorable (Unfavorable)
NON-OPERATING REVENUES (EXPENSES):				
Grant Revenue - Capital	97,000	97,000	112,226	15,226
Interest Income	0	0	5	5
Refund	0	0	0	0
Void Checks from PY's	0	0	0	0
Interest Expense	(11,200)	(11,200)	(11,225)	(25)
<i>Total non-operating revenues (expenses)</i>	85,800	85,800	101,006	15,206
Change in Fund Net Assets	\$98,620	\$98,620	\$108,868	\$10,248

Unaudited

DEPARTMENT OF FINANCE AND ADMINISTRATION
 LOCAL GOVERNMENT DIVISION
 BUDGET AND FINANCE BUREAU
SPECIAL DISTRICT FINANCIAL QUARTERLY REPORT FORM

SUBMIT TO LOCAL GOVERNMENT DIVISION NOT LATER THAN ONE MONTH AFTER THE CLOSE OF EACH QUARTER. I HEREBY CERTIFY THAT THE CONTENTS IN THIS REPORT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

x. *Aracely Gutierrez*

FY2013
 Quarter Ending: 30-Jun-13
 Prepared by: ARACELY GUTIERREZ

QUARTERLY YEAR TO DATE TRANSACTIONS PER BOOKS

Fund #	FUND	CASH BALANCE PER BOOKS Jul 1, 2012	INVESTMENTS YEAR TO DATE	REVENUES TO DATE	NET TRANSFERS	EXPENDITURES TO DATE	BOOK BALANCE END OF PERIOD	ADD OUTSTANDING CHECKS	LESS DEPOSITS IN TRANSIT	ADJUSTMENTS	ADJUSTED BALANCE END OF PERIOD	BALANCE PER BANK STATEMENTS	DIFFERENCE
1031	GENERAL	4,539.99	-	122,802.85	-	126,330.84	1,012.00	6,300.11	2,687.37	-	4,624.74	4,624.74	(0.00)
1032	CAPITAL IMPR/short lived	12,816.22	16.33	104.76	-	16.33	12,904.65	-	-	-	12,904.65	12,904.65	-
1034	DEBT RESERVE	973.20	-	100.38	-	100.00	973.58	-	-	-	973.58	973.58	-
1035	EMERGENCY	4,982.00	-	-	-	-	4,982.00	-	-	-	4,982.00	4,982.00	-
1036	OPER & MAINT RES	18,751.00	-	-	-	-	18,751.00	-	-	-	18,751.00	18,751.00	-
1037	CONSTR/O & M General	5,215.13	-	15,467.97	-	7,634.55	13,048.55	-	89.50	-	12,959.05	12,959.05	-
1038	COLONIAS INITIATIVE	48.05	-	117,579.50	-	117,421.16	206.39	-	-	-	206.39	206.39	(0.00)
	GRAND TOTAL	\$ 47,325.59	\$ -	\$ 256,053.46	\$ -	\$ 251,502.88	\$ 51,878.17	\$ 6,300.11	\$ 2,776.87	\$ -	\$ 55,401.41	\$ 55,401.41	\$ (0.00)

STATE OF NEW MEXICO
DESERT AIRE MUTUAL DOMESTIC WATER AND
SEWER WORKS ASSOCIATION
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

CURRENT YEAR SIGNIFICANT DEFICIENCIES:

2013-01 Budget Compliance

Statement of Condition – Association’s aggregate expenses exceeded budget.

Criteria – Association is required by DFA to operate within the approved annual budget.

Cause – Lack of budget monitoring. Association receives monthly financial statements from fee accountant but rarely compares to budget.

Effect – The Association is not in compliance with state law.

Recommendation – The Association should evaluate the budget to actual on a monthly basis to ensure spending is within the approved budget. In addition, budget adjustments should be approved as necessary.

Management’s Response – Budget will be evaluated on quarterly basis, and reported according to DFA’s designated financial analyst. Any budget adjustments will be presented for review to elected board. Board and staff will receive training.

STATE OF NEW MEXICO
DESERT AIRE MUTUAL DOMESTIC WATER AND
SEWER WORKS ASSOCIATION
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

CURRENT STATUS ON PRIOR YEAR FINDINGS:

2012-01 Reimbursement Requests Issued Before Costs were Paid by Local Public Body

Resolved and not repeated.

2012-02 Grant Status Reports Not Available/Provided

Repeated with modifications.

Statement of Condition – Association was unable to provide grant status reports:

- NMFA Planning Grant
 - Association was unable to provide one of two status reports during fiscal year 2013.

Criteria – Article III of the NMFA Planning Grant No. 2488-PG, Section 2.1, Item (O) requires that progress reports must be submitted semi-annually.

Cause – Lack of continuity in management/oversight and lack of response to certified public accountant.

Effect – May not be in compliance with grant reporting requirements and therefore, may jeopardize future grant funding.

Recommendation – When management/Board member oversight changes documentation, communication, and training should be available to continue all business activities in a seamless manner.

Management's Response – Archiving methods will be implemented. Staff and board members will receive training.

**STATE OF NEW MEXICO
DESERT AIRE MUTUAL DOMESTIC WATER AND
SEWER WORKS ASSOCIATION
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

CURRENT STATUS ON PRIOR YEAR FINDINGS (CONTINUED):

2012-03 Revenue Deposits

Resolved and not repeated.

2010-01 Disbursement Policy and Procedures Inadequate

Repeated with modifications.

Statement of Condition – We selected a sample of 40 disbursements and noted the following:

- There was no approval/authorization process for six disbursements totaling \$853.14. Disbursements had no review/approval prior to disbursement.
- Three disbursements (totaling \$259.17) had no supporting invoice or documentation.

We also selected all Capital Outlay disbursements (seven) related to grant reporting and noted the following:

- All seven disbursements had no approval or authorization process/support (totaling \$116,976).

Criteria – Good internal controls require effective policies and procedures to be in place and the maintenance of supporting documentation for each transaction.

Cause – The Association has a limited number of employees and was unfamiliar with internal control issues prior to their 2012 AUP engagement which was not complete until after the end of the 2013 fiscal year. The Association's disbursement documentation was left unorganized by prior employees.

Effect – Increased opportunity for theft or errors.

Recommendation – A board member (other than the board member assigned to run the office) should come by the office once a week to approve/authorize and sign the disbursement checks prior to disbursing. All support documentation should be maintained for each transaction.

Management's Response – Board and staff will receive training on proper procedures for approval of disbursement checks prior to disbursing. Staff has started implementing proper documentation for all disbursements. Archiving has also been implemented for disbursements.

STATE OF NEW MEXICO
DESERT AIRE MUTUAL DOMESTIC WATER AND
SEWER WORKS ASSOCIATION
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

CURRENT STATUS ON PRIOR YEAR FINDINGS (CONTINUED):

2010-02 Failure to Perform Yearly Inventory of Capital Assets

Repeated.

Statement of Condition – Desert Aire Mutual Domestic Water and Sewer Works Association did not perform a yearly inventory of capital assets.

Criteria – Section 12-6-10 NMSA 1978 requires a local body to conduct an annual physical inventory of all its capital assets.

Cause – The Association contracts with an external CPA who maintains and updates the Association’s capital assets records. The Association was unaware of the annual inventory requirement.

Effect – Non compliance with Section 12-6-10 NMSA 1978.

Recommendation – Obtain the capital asset schedule from the external accountant and perform inventory observation annually.

Management’s Response – Schedule of inventory has been obtained.

STATE OF NEW MEXICO
DESERT AIRE MUTUAL DOMESTIC WATER AND
SEWER WORKS ASSOCIATION
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

CURRENT STATUS ON PRIOR YEAR FINDINGS (CONTINUED):

2010-03 Journal Entries not Being Reviewed

Repeated.

Statement of Condition – Journal entries are not being reviewed.

Criteria – Good internal controls require that journal entries are reviewed monthly to minimize the opportunity for fraud or errors to occur.

Cause – Lack of review and oversight over external accounting.

Effect – Increased opportunity for fraud or errors.

Recommendation – Obtain the list of journal entries posted each month from the accountant. Review the journal entries and document the review with initials or a signature and maintain documentation of reviewed journal entries in a systematic manner.

Management's Response – Journal entries have been obtained from external accountant and will be reviewed in a systematic manner.

STATE OF NEW MEXICO
DESERT AIRE MUTUAL DOMESTIC WATER AND
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SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

CURRENT STATUS ON PRIOR YEAR FINDINGS (CONTINUED):

2010-04 Reports Not Submitted Timely to New Mexico State Auditor's Office

Repeated.

Statement of Condition – The report for the Agreed Upon Procedures engagement was not submitted to the State Auditor's office by the December 1, 2013 due date.

Criteria – Agreed Upon Procedures engagements are due to the State Auditor's Office by December 1, 2013 for June 30, 2013 fiscal year ends per 2.2.2.16 NMAC.

Cause – Kriegel/Gray/Shaw & Co., P.C. did not receive the approved contract (after several inquiries of the Association) until March 2014.

Effect – Non compliance with engagement due date requirements.

Recommendation – The Association should contract on a timely basis for all services necessary under the New Mexico State Auditor Rule.

Management's Response – Board is presently working on contracted AUP services under the New Mexico State Auditor Rule office and will be current by the December 1 due date.

STATE OF NEW MEXICO
DESERT AIRE MUTUAL DOMESTIC WATER AND
SEWER WORKS ASSOCIATION
EXIT CONFERENCE
JUNE 30, 2013

EXIT CONFERENCE:

The exit conference was held May 27, 2015 and was attended by the following:

From Desert Aire Mutual Domestic Water and Sewer Works Association:

Carolyn Massey, Treasurer

Jeremy Degraaf, Secretary

José E. Terrones, Board Consultant (Superintendent, Anthony Water and Sanitation District)

Loren Schoonover, Board Consultant (Office Manager, Anthony Water and Sanitation District)

From Kriegel/Gray/Shaw & Co., P.C.:

Debbie Gray, CPA/Shareholder

Lucio Luttrell, Staff Accountant

FINANCIAL STATEMENT PREPARATION

The financial statements of Desert Aire Mutual Domestic Water and Sewer Works Association were prepared from original books and records provided by and with assistance from the management of the Association and Kriegel/Gray/Shaw & Co., P.C. as of and for the year ended June 30, 2013.