

# **STATE OF NEW MEXICO**

## **DESERT AIRE MUTUAL DOMESTIC WATER AND SEWER WORKS ASSOCIATION**

### **AGREED UPON PROCEDURES**

**JUNE 30, 2015**

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

**TABLE OF CONTENTS  
JUNE 30, 2015**

	<b><u>Page</u></b>
Official Roster	1
Schedule of Capital Outlay Award	2
Agreed Upon Procedures Report	3
Individual Fund Statements General Operating Fund: Statement of Revenues – Budget And Actual (Non GAAP Budgetary Basis)	9
Special District Financial Report	11
Schedule of Findings and Responses	12
Exit Conference	19

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

OFFICIAL ROSTER  
JUNE 30, 2015

**Board of Directors**

<b><u>Name</u></b>	<b><u>Title</u></b>
<i>Daniel Herrera</i>	<i>President</i>
<i>Pamela Aguirre</i>	<i>Vice President</i>
<i>Carolyn Massey</i>	<i>Treasurer</i>
<i>Jeremy De Graaf</i>	<i>Secretary</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, 2015

	Award	Received to Date	Expended to Date	Remaining Balance
<b>New Mexico - DFA Local Government Division</b>				
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	\$48,403	\$48,403	\$1,597
2012 NMFA Planning Grant 2488-PG October 12, 2012 - October 12, 2013	\$114,367	\$100,745	\$100,745	\$13,622
2012 Colonias Infrastructure Grant 2777-CIF April 5, 2013 - April 5, 2033	\$242,000	\$227,258	\$227,258	\$14,742
2012 Colonias Infrastructure Grant 2775-CIF April 5, 2013 - April 5, 2033	\$236,000	\$127,919	\$127,919	\$108,081

**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, 2015. 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. Verified Desert Aire Mutual Domestic Water and Sewer Works Association tier to be Tier 5.
2. **Cash**

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

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

Procedure – We randomly selected eight 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 submitted to DFA-Local Government Division.

Result – One of the eight selected were incorrect as follows: (2014-001)

- Reconciliation for July 31, 2014 Wells Fargo Bank #1050 did not agree to the bank balance due to a liability check shown incorrectly as a reconciliation item on the reconciliation totaling \$87.89.

In addition, no reports were submitted to DFA during fiscal year 2015 and therefore, we were unable to agree ending balances to financial reports submitted to DFA-Local Government Division.

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.

3. **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. (2010-002)

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

4. **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 four 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 four exceptions noted as follows: (2015-001)

- Three instances where the Daily Receipts log did not include all amounts deposited into the bank (\$339.45 variance).
- One instance where the Daily Receipts log included a credit card receipt (\$300) that did not have any supporting documentation and could not be found on the bank statement.

Recommendation – A board member should come by the office once a week to review daily receipt information to ensure it is correct and agrees with the general ledger and bank statement.

5. **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 – Twenty (of 40 disbursements) had no supporting invoice or documentation (total of \$15,819.29). (2010-001)

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 – All of the disbursements with supporting documentation were properly approved.

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.

6. **Journal Entries**

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

Procedure – We tested all eleven 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. (2010-003)

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.

7. **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 did not exceed the final budget at the legal level of budgetary control.

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.

8. **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 – No exceptions were noted.

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 – No status reports were sent during fiscal year 2015.

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 – No projects were complete during fiscal year 2015. (2012-002)

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 – No projects were complete during fiscal year 2015.

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 – Awards from the Colonias Initiative Grant are kept in a separate non interest-bearing account. 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.

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

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.

January 4, 2017

**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, 2015

	Budget Original	Budget Final	Actual	Variance Favorable (Unfavorable)
<b>OPERATING REVENUES:</b>				
Meter Hook Ups	\$5,000	\$5,000	\$6,846	\$1,846
Water Sales, Tax, & Fees	114,417	114,417	99,544	(14,873)
Reconnection Fees & Fines	0	0	0	0
Miscellaneous Income	2,000	2,000	1,104	(896)
Non-Refundable Deposits	0	0	143	143
<i>Total operating revenues</i>	121,417	121,417	107,637	(13,780)
<b>OPERATING EXPENSES:</b>				
Accounting Fees	4,100	4,100	4,429	(329)
Advertising	0	0	1,057	(1,057)
Audit	4,500	4,500	5,927	(1,427)
Auto Expenses	1,100	1,100	241	859
Bank Charges	1,000	1,000	2,397	(1,397)
Board Expenses-Cell Phone	0	0	0	0
Board Expense - Lodging	0	0	0	0
Board Expenses-Meals & Entertainment	200	200	0	200
Board Expenses-Training	800	800	0	800
Board Expenses-Travel	1,500	1,500	268	1,232
Board Expense-Meetings	0	0	0	0
Disposal Coupons	0	0	1,070	(1,070)
Dues, Fees, & Subscriptions	50	50	406	(356)
Insurance - Liability	6,075	6,075	6,650	(575)
Legal Fees	2,500	2,500	2,863	(363)
Office Expense	2,600	2,600	1,920	680
Penalties & Fines	0	0	5	(5)
Postage	1,300	1,300	1,201	99
Professional Fees	0	0	358	(358)
Rent - Equipment	300	300	307	(7)
Repairs & Maintenance	31,585	31,585	17,215	14,370
Repairs & Maintenance (Well)	0	0	850	(850)
Supplies	400	400	484	(84)
Wages	26,000	26,000	28,395	(2,395)
Taxes - GRT	0	0	0	0
Taxes - Payroll	2,700	2,700	4,728	(2,028)
Taxes - Property	850	850	813	37
Taxes - WC1 Assessment Fee	40	40	27	13
Taxes - Water Conservation	500	500	1,146	(646)
Utilities - Disposal	200	200	397	(197)
Utilities - Electricity	3,000	3,000	1,743	1,257
Utilities - Electricity - Well	15,000	15,000	12,035	2,965
Utilities - Internet	150	150	0	150
Utilities - Telephone - Well	400	400	232	168
Utilities - Telephone - Office	2,000	2,000	2,889	(889)
<i>Total operating expenses</i>	108,850	108,850	100,053	8,797

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, 2015

	Budget Original	Budget Final	Actual	Variance Favorable (Unfavorable)
<b>NON-OPERATING REVENUES (EXPENSES):</b>				
Grant Revenue - Capital	0	0	149,885	149,885
Interest Income	0	0	1	1
Refund	0	0	0	0
Void Checks from PY's	0	0	0	0
Interest Expense	0	0	(7,867)	(7,867)
<i>Total non-operating revenues (expenses)</i>	0	0	142,019	142,019
<i>Change in Fund Net Assets</i>	\$12,567	\$12,567	\$149,603	\$137,036

**STATE OF NEW MEXICO**  
**DESERT AIRE MUTUAL DOMESTIC WATER AND**  
**SEWER WORKS ASSOCIATION**  
SPECIAL DISTRICT FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

No report submitted. See finding 2014-001.

**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, 2015

**CURRENT YEAR SIGNIFICANT DEFICIENCIES:**

**2015-001 Receipt Documentation Inaccurate**

**Statement of Condition** – We selected a sample of four months and tested all transactions in each month. The following exceptions were noted:

- Three daily receipt logs did not include all amounts deposited into the bank (variance of \$339.45).
- One daily receipt log included a credit card receipt (for \$300) that did not have any supporting documentation and could not be traced to the bank statement.

**Criteria** – Good internal controls require that all receipts transactions have supporting documentation and that the supporting documentation is accurate.

**Cause** – Lack of appropriate review.

**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 review all receipt documentation to ensure it is accurate and complete all supporting documentation should be maintained for each transaction.

**Management's Response** – All receipt documentation will be reviewed to insure accuracy and proper supporting documentation is tied to each receipt.

Position responsible for implementation: Office Manager (Anthony Water & Sanitation District)  
Contracted Management

Date of Implementation: February 1, 2017

**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, 2015

**CURRENT STATUS ON PRIOR YEAR FINDINGS:**

**2014-001 Bank Reconciliations Not Proper**

Repeated with modification.

**Statement of Condition** – One of eight bank reconciliations was incorrect as follows:

- Reconciliation for July 31, 2014 (Compass Bank) #1050 did not agree to the general ledger by \$87.89.
- We were unable to agree bank balances to DFA reports as no reports were submitted.

Finding remains essentially the same as prior year, still no review of reconciliations.

**Criteria** – Good internal require bank accounts to be reconciled to the general ledger on a regular basis. The Association is required to submit quarterly reports to DFA-Local Government Division.

**Cause** – Improper reconciling items and lack of review and oversight.

**Effect** – Bank accounts not clearly reconciled and therefore general ledger balances may not be correct. Non compliance with DFA reporting requirements.

**Recommendation** – The bank reconciliations should clearly agree to the general ledger and be reviewed by Association personnel to insure correctness. Reporting to DFA should be done timely as required.

**Management's Response** – All bank reconciliations shall be reviewed to insure correctness and accuracy. DFA reports will be submitted when due.

Position responsible for implementation: Office Manager (Anthony Water & Sanitation District)  
Contracted Management

Date of Implementation: February 1, 2017

**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, 2015

**CURRENT STATUS ON PRIOR YEAR FINDINGS (CONTINUED):**

**2012-002 Grant Status Reports Not Available/Provided**

Repeated.

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

- NMFA Planning Grant
  - Association was unable to provide any status reports during fiscal year 2015.

Finding remains the same as prior year.

**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** – Grant status reports shall be completed in a timely manner to ensure compliance with grant requirements and continuity in business activities.

Position responsible for implementation: Office Manager (Anthony Water & Sanitation District)  
Contracted Management

Date of Implementation: February 1, 2017



**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, 2015

**CURRENT STATUS ON PRIOR YEAR FINDINGS (CONTINUED):**

**2010-001 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 20 disbursements totaling \$15,819.29. Disbursements had no review/approval prior to disbursement.
- 20 disbursements (totaling \$15,819.29) had no supporting invoice or documentation.

Finding remains essentially the same as prior year.

**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 had several changes in personnel as well as changes to their Board of Directors.

**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 members will review and sign purchase orders and disbursement checks prior to disbursement.

Position responsible for implementation: Office Manager (Anthony Water & Sanitation District)  
Contracted Management

Date of Implementation: February 1, 2017

**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, 2015

**CURRENT STATUS ON PRIOR YEAR FINDINGS (CONTINUED):**

**2010-002 Failure to Perform Yearly Inventory of Capital Assets**

Repeated with modification.

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

Finding remains essentially the same as prior year.

**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 has had several changes in personnel who are 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** – Inventory observation will be performed annually based off the capital asset schedule.

Position responsible for implementation: Office Manager (Anthony Water & Sanitation District)  
Contracted Management

Date of Implementation: May/June 2017

**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, 2015

**CURRENT STATUS ON PRIOR YEAR FINDINGS (CONTINUED):**

**2010-003 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.

Finding remains the same as prior year.

**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 will be reviewed and initials will be written on reviewed entries.

Position responsible for implementation: Office Manager (Anthony Water & Sanitation District)  
Contracted Management

Date of Implementation: February 1, 2017

**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, 2015

**CURRENT STATUS ON PRIOR YEAR FINDINGS (CONTINUED):**

**2010-004 Reports Not Submitted Timely to New Mexico State Auditor's Office**

Repeated with modification.

**Statement of Condition** – The report for the Agreed Upon Procedures engagement was not submitted to the State Auditor's office by the December 15, 2015 due date.

Finding remains the same as prior year.

**Criteria** – Agreed Upon Procedures engagements are due to the State Auditor's Office by December 15, 2015 for June 30, 2015 fiscal year ends per 2.2.2.16 NMAC.

**Cause** – Change in Association personnel and Board of Directors.

**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** – All services involving the AUP will be submitted in a timely manner.

Position responsible for implementation: Office Manager (Anthony Water & Sanitation District)  
Contracted Management

Date of Implementation: May 2017

**STATE OF NEW MEXICO**  
**DESERT AIRE MUTUAL DOMESTIC WATER AND**  
**SEWER WORKS ASSOCIATION**  
EXIT CONFERENCE  
JUNE 30, 2015

**EXIT CONFERENCE:**

The exit conference was held January 13, 2017 and was attended by the following:

**From Desert Aire Mutual Domestic Water and Sewer Works Association:**

Jose Terrones, Superintendent (Anthony Water)  
Pamela Aguirre, Vice President Board of Directors  
Victor Chavarria, Office Manager (Anthony Water)

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

Debbie Gray, CPA/Shareholder  
Becca Pott, 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, 2015.