

Accounting & Auditing Services, LLC

Financial Audits - Agreed Upon Procedures - Tax - Consulting

El Valle Water Alliance

Independent Accountant's Report on Applying Agreed-Upon Procedures

For the Fiscal Year Ended June 30, 2011

El Valle Water Alliance
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Fiscal Year Ended June 30, 2011

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**El Valle Water Alliance
Official Roster
Fiscal Year Ending June 30, 2011**

Board of Directors

Ramon Lucero Jr., President

Lawrence Padilla, Vice President

Edward Sena, Secretary

Edward Madrid, Treasurer

Rick Konersman, Member

Administrative Staff

Kenneth Lucero, Business Manager

Veronica Castro, Office Administrator

Accounting & Auditing Services, LLC

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Independent Accountant's Report on Applying Agreed-Upon Procedures

Ramon M. Lucero, President
El Valle Water Alliance
and
Honorable Hector H. Balderas
New Mexico State Auditor

I have performed the procedures enumerated below for the El Valle Water Alliance (Alliance) for the year ended June 30, 2011, solely to assist in determining compliance with the provisions of the Audit Act for a Tier 5 entity per Section 12-6-3 B (4) NMSA 1978, Section 2.2.2.16 NMAC and Section 6-6-2 (A) NMSA 1978. The procedures were agreed to by the Alliance through the New Mexico Office of the State Auditor. The Alliance's management is responsible for its accounting records and the subject matter. 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 the parties specified in this 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 are as follows:

1. 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.

Four months of bank reconciliations were randomly selected and reviewed. The bank reconciliations were performed on a monthly basis in a timely manner by the office administrator and reviewed by the business manager. All bank statements for the fiscal year were complete and on hand. The Alliance did not have any investment accounts.

- b. Perform a random test of bank reconciliations for accuracy. Also, trace ending balances to the general ledger, supporting documentation and the financial reports submitted to the New Mexico Department of Finance and Administration-Local Government Division (DFA-LGD).

The selected bank reconciliations were accurate, and the ending balances on the bank reconciliations agreed with the general ledger and the supporting documentation. However, since the Alliance did not submit any year-end financial reports to DFA-LGD, I could not determine if the ending cash balances agreed with the financial reports.

- c. Determine whether the local public body's financial institutions have provided it with the 50% of pledged collateral on all uninsured deposits as required by Section 6-10-17 NMSA 1978, NM Public Money Act, if applicable.

The bank account balances of the Alliance were fully insured by the FDIC. Pledged collateral was not required since the Alliance's bank balances were below \$250,000 during the fiscal year.

2. Capital Assets

- a. Verify that the local public body is performing a yearly inventory as required by Section 12-6-10 NMSA 1978.

The Alliance did not perform a complete capital asset inventory for the fiscal year ending June 30, 2011. See finding 2011-1 on p. 9.

3. Revenues

- a. Identify the nature and amount of revenue from sources by reviewing the budget, agreements, rate schedules, and underlying documentation and perform an analytical review; test actual revenue compared to budgeted revenue for the year for each type of revenue.

The major revenue sources of the Alliance consist of water user fees and contractual services. I could not perform an analytical review to compare actual revenues to budgeted revenues since the Alliance did not prepare a budget for the fiscal year ending June 30, 2011. I could not compare current year revenues to the prior year since the Alliance did not fully operate in the prior year.

- b. Select a sample of revenues based on auditor judgment and test using the following attributes:

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

A sample of cash receipts were tested which amounted to 62% of total revenues. The amount recorded in the general ledger agreed with the supporting documentation and the bank statement.

- ii. 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 basis, or accrual basis.

The cash receipts tested were properly classified and recorded in the general ledger on the cash basis of accounting.

4. Expenditures

- a. Select a sample of cash disbursements based on auditor judgment and test using the following attributes:

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

A sample of 40 cash disbursements were selected and tested. The amounts recorded as disbursed agreed with the supporting documentation. The amount, payee, date and description of the purchase agreed with the purchase order, vendor's invoice, contract (if applicable) and canceled check.

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

The cash disbursements tested were properly authorized and approved in compliance with legal requirements and established policies and procedures. I could not determine if the disbursements were authorized in accordance with the budget since the Alliance did not prepare a budget for the fiscal year ending June 30, 2011.

- iii. 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), State Purchasing Regulations (1.4.1 NMAC) and Regulations Governing the Per Diem and Mileage Act (2.42.2 NMAC).

The purchases and cash disbursements tested were processed in accordance with applicable provisions of the State Procurement Code, State Purchasing Regulations and Regulations Governing the Per Diem and Mileage Act (if applicable).

5. Journal Entries

- a. If non-routine journal entries, such as adjustments or reclassifications, are posted to the general ledger, test significant items for the following attributes:
 - i. Journal entries appear reasonable and have supporting documentation.

According to management of the Alliance, no journal entries were posted during the fiscal year and none were noted during the performance of the agreed-upon procedures.

- ii. The local public body has procedures that require journal entries to be reviewed and there is evidence the reviews are being performed.

The Alliance has procedures in place to ensure that non-routine journal entries are reviewed by management. If needed, the office administrator prepares the journal entries and the business manager reviews and approves the journal entries before they are posted to the general ledger.

6. Budget

- a. Obtain the original fiscal year budget and all budget amendments made throughout the fiscal year and perform the following:
 - i. 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.

This procedure could not be performed since the business manager stated that the Alliance did not prepare an official budget for the fiscal year ending June 30, 2011. See finding 2011-2 on p. 10.

- ii. Determine if the total actual expenditures exceeded the final budget at the legal level of budgetary control; if so, report a compliance finding.

This procedure could not be performed since the Alliance did not prepare an official budget for the fiscal year ending June 30, 2011.

- iii. 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.

The Alliance's general ledger was used to prepare the Schedule of Revenues and Expenditures. Since the Alliance did not prepare a budget for the fiscal year, only the actual revenues and expenditures were reported on the schedule on p. 14 of this report.

7. Test 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.

All of the cash disbursements for the capital award projects were tested. The amounts disbursed agreed with the supporting documentation. The amount, payee, date and description of the purchase agreed with the vendor's invoice, contract and canceled check. The Alliance does not use purchase order forms.

- b. Determine that cash disbursements were properly authorized and approved in accordance with the budget, legal requirements and established policies and procedures.

The cash disbursements tested were properly authorized and approved in accordance with the project budget, legal requirements and the Alliance's procurement 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).

When applicable, the Alliance advertised, obtained bids and quotes where necessary, and entered into contracts and purchase agreements in accordance with its procurement policies and applicable state laws and regulations.

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

For the pilot program (capital outlay award 1), no capital assets were purchased. For capital outlay award 2, the installation of four fire hydrants was physically observed.

- 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.

The Alliance submitted the required requests for payment and financial status reports to the Department of Finance and Administration and the New Mexico Environment Department. The reports agreed with the general ledger and the 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.

For the pilot program (capital outlay award 1), the Alliance received \$20,000 in advance for contractual services (payment request #1 dated 11/3/09). Award 1 was for a pilot program, not a capital project; therefore, the percentage of completion was not applicable. Capital outlay award #2 was not funded in advance and the percentage of completion was not applicable because the award was for the purchase of four fire hydrants.

- 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.

The \$225,000 appropriation for Memorandum of Understanding #9602 (Pilot Program) was not fully expended by the Alliance on the pilot program for the regionalization of MDWCA's; \$4,245.96 was unexpended and reverted to the Water Innovation Fund. The \$10,000 appropriation for the purchase of four fire hydrants was fully expended.

- 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.

The checks received from DFA for both projects were deposited in the Alliance's checking account at Los Alamos National Bank. The capital outlay award agreement did not require a separate fund or separate non-interest bearing bank account to deposit the amounts received.

- 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.

For both capital outlay awards, the Alliance filed Request for Reimbursement Forms with the state agencies. The requests were supported by invoices and other documentation for the Alliance's operating expenses and the four fire hydrants. The costs were not paid by the Alliance prior to the request for reimbursement because the Alliance did not have the necessary funds. The Alliance paid for its project expenditures after the checks were received from DFA. A finding was not considered necessary since the Alliance complied with the state agency's reimbursement procedures.

- 8. The agreed-upon procedures report shall include the capital outlay amount awarded, amount received, amount expended, the remaining balance, and the actual legislation and effective dates for each capital outlay appropriation that meets the Tier 3 criteria.

See the Schedule of Capital Outlay Awards on p. 13 of this report.

- 9. The agreed-upon procedures report shall include a copy of the year financial report submitted to DFA.

The Alliance did not submit a copy of its year-end financial report to DFA. However, a copy of the Alliance's year-end financial report is included on p. 15-19 of this report.

10. Other

- a. If information comes to the IPA'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 (I)(3)(C) NMAC.

See Findings 2011-1 through 2011-3 on p. 9-12 of this report.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the Tier 5 agreed upon procedures. 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 management and others with the Alliance, the New Mexico State Auditor, Department of Finance and Administration – Local Government Division, Environment Department and the State Legislature and is not intended to be and should not be used by anyone other than these specified parties.

Accounting & Auditing Services, LLC

Accounting & Auditing Services, LLC

Santa Fe, New Mexico

November 20, 2013

**El Valle Water Alliance
Schedule of Findings and Responses
Fiscal Year Ending June 30, 2011**

Status of Prior Year Findings

Not applicable.

Current Year Findings

Finding 2011-1. No Capital Asset Inventory at Fiscal Year-End

Condition

On June 30, 2011, the Alliance did not perform a complete physical inventory of its capital assets. The water systems' infrastructure has not been fully inventoried, recorded, valued and accounted for in accordance with generally accepted accounting principles and state laws and regulations.

Criteria

Section 12-6-10.A NMSA 1978 states: "Annual Inventory. The governing authority of each agency shall, at the end of each fiscal year, conduct a physical inventory of movable chattels and equipment costing more than five thousand dollars (\$5,000) and under the control of the governing authority." Section 2.20.1 NMAC requires an annual inventory and establishes standards to properly record, control and account for capital assets acquired by agencies. Also, generally accepted accounting principles require assets to be capitalized in accordance with Alliance policy and properly recorded, valued and depreciated.

Effect

The Alliance does not have an established carrying amount for the value of its capital assets as of June 30, 2011 or a complete listing of its capital assets which is useful to properly control, account for and manage its capital assets in a proper manner.

Cause

The Alliance was unaware that the state laws and regulations cited above were applicable to Mutual Domestic Water Consumer Associations. Historical cost records are not available for all the water systems in the Alliance. The Alliance did not have the resources available to pay for appraisals and other services needed to list and value its water systems in accordance with generally accepted accounting principles.

Recommendation

The Alliance should perform a complete physical inventory of its capital assets as soon as possible, and at the end of each fiscal year. The results of the inventory shall be recorded in

**El Valle Water Alliance
Schedule of Findings and Responses
Fiscal Year Ending June 30, 2011**

a written inventory report, certified as to correctness and signed by the governing authority of the Alliance. The Alliance should develop and implement written policies and procedures to perform the capital asset inventory on an annual basis and record, control and account for its capital assets in accordance with state laws, regulations and generally accepted accounting principles.

Management's Response

The capital assets in question are the water tanks and well houses for all associations managed by the El Valle Water Alliance. We currently have them documented but not valued. We have received a grant to develop an asset management plan that will identify our assets and determine their value and life of the asset. We plan on completing the asset management plan during the fiscal year ending June 30, 2014.

Finding 2011-2. Non-compliance with Budget Laws and Regulations

Condition

The Alliance did not prepare and submit its FY11 annual budget to the NM Department of Finance & Administration's Local Government Division (DFA-LGD) for review and approval by June 1, 2010. The Alliance did not submit its FY11 budget amendments to DFA-LGD for review. Also, the Alliance did not submit its FY11 quarterly financial reports to DFA-LGD as required.

Criteria

Pursuant to Section 6-6-2 NMSA 1978, each local public body is required to furnish and file with DFA-LGD, on or before June 1 of each year, a proposed budget for the next fiscal year. Also, each local public body is required to submit budget adjustments, quarterly financial reports and a year-end financial report to DFA-LGD.

Effect

The Alliance is not in full compliance with New Mexico's budget laws and regulations.

Cause

The Alliance received a state grant for a pilot program to regionalize and operate several Mutual Domestic Water Consumer Associations. Since the Alliance was newly formed, the Alliance did not prepare a budget for the fiscal year ending June 30, 2011 and was not aware of the budget laws and reporting requirements for local governments including Mutual Domestic Water Consumer Associations.

El Valle Water Alliance
Schedule of Findings and Responses
Fiscal Year Ending June 30, 2011

Recommendation

The Alliance should adopt, approve and submit its annual budget for the next fiscal year to DFA-LGD by June 1 of each fiscal year. The Alliance should also submit its approved budget adjustments, quarterly financial reports, and year-end financial reports to DFA-LGD as required. The Alliance should develop and implement written policies and procedures to ensure that the budget laws and regulations are fully complied with in the future.

Management's Response

Because of our regionalization status, we were unaware of the requirement at the start of the fiscal year. We have submitted the year-end financial report for fiscal year 2012. We have also already submitted the approved budget for fiscal year 2013 as required. We will make sure all submittals to DFA are done on a timely manner.

Finding 2011-3. Late Submission of Firm Recommendation Form, Contract and Agreed-Upon Procedures Report

Condition

For the fiscal year ending June 30, 2011, the Alliance submitted the Recommendation Form for Tiered System Local Public Bodies and the signed agreed-upon procedures to the New Mexico Office of the State Auditor (OSA) in October 2013.

Also, the agreed-upon procedures report for the fiscal year ending June 30, 2011 was not submitted to the OSA by the due date of December 1, 2011.

Criteria

According to State Audit Rule, Section 2.2.2.16.D (6) NMAC, the Alliance should "submit the completed Recommendation Form for Tiered System Local Public Bodies and the completed and signed agreed-upon procedures to the State Auditor on or before July 1, 2011."

According to State Audit Rule, Section 2.2.2.16.H NMAC, "For local public bodies with a June 30 fiscal year-end, the report due date is December 1, 2011."

Effect

Since the recommendation form and contract were submitted late, the agreed-upon procedures report was not be submitted to the State Auditor by the required due date.

El Valle Water Alliance
Schedule of Findings and Responses
Fiscal Year Ending June 30, 2011

If the report is late, users of the report are not receiving timely information about the results of the agreed-upon procedures.

Cause

According to State Audit Rule, Section 2.2.2.16.B NMAC, "Annually, the State Auditor shall provide local public bodies written authorization to proceed with obtaining services to conduct a financial audit or other procedures." The Business Manager of the Alliance stated that he never received the written authorization to proceed from the State Auditor.

On April 7, 2009, the Alliance was granted \$225,000 to fund a pilot program to regionalize and operate several Mutual Domestic Water Consumer Associations in the area. Since the Alliance was newly formed, the Alliance was unaware of the State Auditor's requirements for agreed-upon procedures, and therefore, did not comply with the requirements.

Recommendation

The officers and employees of the Alliance should read Section 2.2.2.16 NMAC of the State Audit Rule to understand the specific requirements and due dates for agreed-upon procedures. For future fiscal years, the Alliance shall determine its total revenues and state funded capital outlay award expenditures and apply the criteria noted in Section 2.2.2.16.B NMAC to determine what agreed-upon procedures or audits are required for the fiscal year. The Alliance should take the necessary steps to ensure that future recommendation forms, contracts and reports are submitted to the State Auditor by July 1 and December 1 of each fiscal year, respectively.

Management's Response

We received a grant to regionalize. We combined our financials but we managed each association autonomous. We responded to the State Auditor's Office separate as individual associations. We were in a transition period. We became aware in September 2013 that we needed to have agreed-upon procedures performed for the fiscal year ending 2011.

**El Valle Water Alliance
Schedule of Capital Outlay Awards
For the Fiscal Year Ending June 30, 2011**

	1	2
Amount Awarded for Project	\$ 225,000.00	\$ 10,000.00
Amount Received and Expended by Alliance	(220,754.04)	(10,000.00)
Remaining Balance Reverted to State	\$ 4,245.96	\$ -

Agreement Provisions

1 - Memorandum of Understanding #9602 Between the Department of Finance and Administration and El Valle Water Alliance Concerning the Regional Circuit Rider Management and Operation Program

Legislative Authority: NM Laws of 2007, Chapter 42, Section 61 (10) - Water Innovation Fund

Date of Agreement: April 7, 2009

General Fund Appropriation Description: To conduct leak detection, regional and demonstration projects for water systems across the state.

Project Description: A pilot program to regionalize Mutual Domestic Water Consumer Associations.

Estimated Project Cost: \$350,000

State Grant Amount: \$225,000

Agreement termination/reversion date: June 30, 2011

2 - Grant Agreement Between the New Mexico Environment Department and the El Valle Water Alliance - Special Appropriation Project Number SAP 08-3909-GF

Legislative Authority: NM Laws of 2008, Chapter 92, Section 48, Subsection 97 - General Fund

Date of Agreement: April 21, 2009

Appropriation Description: To plan, design and construct water system improvements for water systems within the El Valle Water Alliance in San Miguel County.

Project Description: To purchase and install 4 fire hydrants for the El Ancon and El Coruco MDWCA.

Estimated Project Cost: \$10,368.10

State Grant Amount: \$10,000

Agreement termination/reversion date: June 30, 2012

El Valle Water Alliance
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP Cash Basis) - General Fund
For the Fiscal Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Contractual services	\$ -	\$ -	\$ 20,163	\$ -
Water services	-	-	94,330	-
State grants	-	-	197,950	-
Miscellaneous Income	-	-	506	-
	<u>-</u>	<u>-</u>	<u>\$ 312,949</u>	<u>\$ -</u>
Total revenues	<u>\$ -</u>	<u>\$ -</u>		
Expenditures				
Current:				
Contractual services	\$ -	\$ -	\$ 126,808	\$ -
Office expenses	-	-	21,788	-
Association expenses	-	-	16,780	-
Capital outlay	-	-	87,295	-
Debt service	-	-	7,488	-
	<u>-</u>	<u>-</u>	<u>\$ 260,159</u>	<u>\$ -</u>
Total expenditures	<u>\$ -</u>	<u>\$ -</u>		

Note: The Alliance did not prepare a budget for the fiscal year ending June 30, 2011.

El Valle Water Alliance
Balance Sheet
As of June 30, 2011

	<u>Jun 30, 11</u>
ASSETS	
Current Assets	
Checking/Savings	
Bank of Las Vegas	1.31
LANB 1st Checking Acc	2,462.98
LANB 2nd Checking Acc	61,098.10
Total Checking/Savings	<u>63,562.39</u>
Total Current Assets	63,562.39
Fixed Assets	
Office Software&Equipm	11,246.48
Total Fixed Assets	<u>11,246.48</u>
TOTAL ASSETS	<u><u>74,808.87</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	-1,053.62
Total Accounts Payable	<u>-1,053.62</u>
Total Current Liabilities	-1,053.62
Long Term Liabilities	
El Valle 3	45,138.00
El Valle 4	10,000.00
Ilfeld LOAN	114,046.26
SSY Loan 05	26,340.24
SSY Loan 1	22,165.09
Total Long Term Liabilities	<u>217,689.59</u>
Total Liabilities	216,635.97
Equity	
Opening Balance Equity	-211,447.09
Retained Earnings	16,830.43
Net Income	52,789.56
Total Equity	<u>-141,827.10</u>
TOTAL LIABILITIES & EQUITY	<u><u>74,808.87</u></u>

El Valle Water Alliance
Profit & Loss
 July 2010 through June 2011

	Jul '10 - Jun 11
Ordinary Income/Expense	
Income	
Contracting Services	
Administrative Services	20,163.00
Total Contracting Services	20,163.00
Non Profit Income	
Capital Credit Income	
ENMR Capital Credits	11.11
Total Capital Credit Income	11.11
EI Ancon Water Revenue	6,445.48
EI Coruco MDWCA Water Revenue	
EC NEW MEMBERSHIP	60.00
EC NEW METER SERVICE	267.00
Membership Transfer Fee	20.00
Returned checks	-50.00
EI Coruco MDWCA Water Revenue - Other	9,155.00
Total EI Coruco MDWCA Water Revenue	9,452.00
Grant DFA Capital outlay funds	85,829.59
grant moniesDFA	112,120.78
Ifield MDWCA water Revenue	
IF Disconnection fee	75.00
IF Reconnectio Fee	75.00
Ifield MDWCA water Revenue - Other	28,930.36
Total Ifield MDWCA water Revenue	29,080.36
La Sacatosa Water Revenue	4,406.02
San Juan MDWCA Water Revenue	5,327.60
South San Ysidro Water Revenue	
Returned Checks	-35.00
South San Ysidro Water Revenue - Other	8,357.13
Total South San Ysidro Water Revenue	8,322.13
SSY Community Center Rental	100.00
Villanueva MDWCA Water Revenue	
VN Membership Transfer Fee	100.00
Villanueva MDWCA Water Revenue - Other	31,095.95
Total Villanueva MDWCA Water Revenue	31,195.95
Total Non Profit Income	292,291.02
Reimbursements	437.71
Uncategorized Income	3.18
Total Income	312,894.91
Gross Profit	312,894.91
Expense	
Advertising	422.98
Business Expense	
Capital outlay projects	
construction	10,000.00
Engineer & Design	1,465.48
Engineering	75,829.59
Total Capital outlay projects	87,295.07
Continueing Education	175.00
Contracting Expense	
Field Operations	20,052.00
Office/General Administrative E	99,860.35

EI Valle Water Alliance
Profit & Loss
 July 2010 through June 2011

	Jul '10 - Jun 11
Travel	
Travel Lodging	116.44
Travel - Other	6,779.74
Total Travel	6,896.18
Total Contracting Expense	126,808.53
Membership Dues	10.00
Penalties & Settlements	5.00
Repair & Maintenance	68.16
Work Uniforms	144.01
Write Offs	1,369.00
Total Business Expense	215,874.77
EI Ancon MDWCA	
EA Certified mail	36.53
EA Construction	184.05
EA New Member Meters	559.74
EA NM GRT	523.76
EA WCF	107.95
EI Ancon Membership Dues	35.81
Total EI Ancon MDWCA	1,447.84
EI Corruco MDWCA	
EC Certified Mail	177.58
EC Construction	184.05
EC Field Operation Supplies	12.84
EC Membership Dues	38.06
EC Well House Electric bill	709.11
New Memberships	
Meter Installation	60.00
Total New Memberships	60.00
New Meters	572.01
Total EI Corruco MDWCA	1,753.65
Ifield MDWCA	
IF Certified Mail	67.13
IF Contracting Services	4,957.06
IF Equipement Purchase	97.31
IF Loan Interest	1,376.47
IF Membership dues	20.62
IF METER PURCHASE	1,904.22
IF NM GRT	1,277.24
IF NMED Loan	0.00
IF Nonprofit corp Report	10.00
IF Reimbersments	83.96
IF Storage Rental	240.00
IF Water testing	146.05
IF WCF	62.73
IF Well House Elec Bill14170001	796.20
IF Well House Elec Bill18877001	379.06
Total Ifield MDWCA	11,418.05
La Sacatosa MDWCA	
LS Reimbursements	60.59
LS Shipping and billing	5.54
LS Well House Electric bill	935.38
LS Well House Repair and Maint.	514.87
Total La Sacatosa MDWCA	1,516.38
Office Expenses	
Meeting Expense	167.66
Reimbersments	75.64
Rent or Lease	40.00
shipping and billing	4,616.20

1:37 PM

11/04/13

Accrual Basis

El Valle Water Alliance
Profit & Loss
 July 2010 through June 2011

	Jul '10 - Jun 11
Stationery & Printing	997.83
Supplies	3,911.61
Tech support	
Software updates	3,243.03
Tech support - Other	440.21
Total Tech support	3,683.24
Utilities	
EVWA Light bill	441.28
EVWA Propane Bill	1,511.62
office ENMR bill	1,506.33
Total Utilities	3,459.23
Office Expenses - Other	2,642.40
Total Office Expenses	19,593.81
San Juan MDWCA	
SJ Membership dues	46.84
SJ WCF	33.00
SJ Well house electric bill	705.02
Total San Juan MDWCA	784.86
South San Ysidro MDWCA	
SSY equipement & parts	7.51
SSY Gross receipts tax	436.34
SSY Loan Interest 01	606.32
SSY Loan Interest 05	985.74
SSY Membership Dues	44.00
SSY Reimbursements	311.61
SSY San Miguel County Taxes	5.00
SSY shipping and billing	60.16
SSY USDA Loan	0.00
SSY Water Testing	923.12
SSY WCF	48.84
SSY Well house Electric bill	608.72
Total South San Ysidro MDWCA	4,037.36
Villanueva MDWCA	
VN Board Insurance	199.50
VN Equipment Rental	345.86
VN Membership dues	57.93
VN NM GRT	640.74
VN QW Over payment Refund	132.50
VN Reimbursements	65.51
VN shipping and billing	94.43
VN Water Testing	227.19
VN WCF	54.00
VN Well house electric bill	1,418.27
VN Well house parts and maintan	63.25
Villanueva MDWCA - Other	10.11
Total Villanueva MDWCA	3,309.29
Total Expense	260,158.99
Net Ordinary Income	52,735.92
Other Income/Expense	
Other Income	
Interest Earned	53.64
Total Other Income	53.64

1:37 PM
11/04/13
Accrual Basis

El Valle Water Alliance
Profit & Loss
July 2010 through June 2011

	<u>Jul '10 - Jun 11</u>
Other Expense	
Miscellaneous	0.00
Total Other Expense	<u>0.00</u>
Net Other Income	<u>53.64</u>
Net Income	<u><u>52,789.56</u></u>

**El Valle Water Alliance
Exit Conference
Fiscal Year Ended June 30, 2011**

On November 20, 2013, an exit conference was held with the following individuals to discuss the results of the agreed upon procedures and the contents of this report:

El Valle Water Alliance

Ramon M. Lucero, President
Ken Lucero, Business Manager
Veronica Castro, Office Administrator

Accounting & Auditing Services, LLC

Steve B. Archibeque, CPA, General Manager