



MACIAS, GUTIERREZ & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ESPANOLA, NEW MEXICO
www.mgandc.com

STATE OF NEW MEXICO

**BLUEWATER WATER & SANITATION
DISTRICT**

Independent Accountants' Report on Applying
Agreed-Upon Procedures – Tier 4

Year Ended June 30, 2016

STATE OF NEW MEXICO

BLUEWATER WATER & SANITATION DISTRICT

**Independent Accountants' Report on Applying
Agreed-Upon Procedures – Tier 4**

Year Ended June 30, 2016

**STATE OF NEW MEXICO
BLUEWATER WATER & SANITATION DISTRICT**

**Table of Contents
June 30, 2016**

| | | <u>Page</u> |
|---|-----------------------|--------------------|
| Title Page | | i |
| Table of Contents | | ii |
| Official Roster | | iii |
| Independent Accountants' Report on Applying Agreed-Upon Procedures | | iv-viii |
| | <u>Exhibit</u> | |
| Schedule of Revenues and Expenditures – Budget and Actual (Cash Basis) | A | 1 |
| Copy of year-end reports submitted to DFA | B | 2-6 |
| Schedule of Findings and Responses | | 7 |
| Exit Conference | | 8 |

**STATE OF NEW MEXICO
BLUEWATER WATER & SANITATION DISTRICT**

**Official Roster
at June 30, 2016**

| <u>Name</u> | <u>Title</u> |
|----------------------------------|---------------|
| <u>Board of Directors</u> | |
| David Hassell | Chairman |
| Earl Hassell | Vice-Chairman |
| Mike Horton | Director |
| Paul Spencer | Director |
| Gilbert Lopez | Director |



Macias, Gutierrez
& Co., P.C.

*Certified Public Accountants
Member AICPA, NMSCPA*

1302 Calle De La Merced, Suite A
Española, New Mexico 87532
505.747.4415
Fax 505.747.4417

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES – TIER 4

To: David Hassell, Chairman, Bluewater Water & Sanitation District #4017
and
Honorable Timothy M. Keller, New Mexico State Auditor

We have performed the procedures enumerated below for the Bluewater Water & Sanitation District (BWSD), for the year ended June 30, 2016, solely to assist the BWSD in demonstrating compliance with a **Tier 4** entity under the Audit Act, Section 12-6-3 B (4) NMSA 1978, Section 2.2.2.16 NMAC and Section 6-6-2 (A) NMSA 1978, as set forth in the accompanying Exhibits A and B. The procedures were agreed to by the BWSD through the Office of the New Mexico State Auditor. The Bluewater Water & Sanitation District's management is responsible for the organization'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 findings are as follows:

1. Before beginning the procedures below, the IPA must verify the local public body's revenue calculation and tier determination using the form provided at www.osanm.org under "Financial Audits" and "What IPA Services are Required."

We verified BWSD's revenue calculation and tier determination. BWSD cash basis revenue was between the **Tier 4** lower and upper limits and had no state capital outlay.

2. Cash

Procedures

- 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.
- 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 DFA-Local Government Division (DFA-LGD).
- 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.

Results of Procedures

- a) The BWSD has three bank accounts, all in one financial institution, (one operating checking account and two savings accounts) and utilizes Quickbooks to record transactions. All bank reconciliations are performed within days of receiving the bank statements and all were complete and on-hand for the entire year.
- b) Random tests of bank reconciliations revealed no exceptions. The reconciliations were accurate and agreed with supporting documentation. We traced the June 30, 2016 cash balances to the general ledger, supporting documentation and the year-end quarterly financial report submitted to DFA-LGD, without exception.
- c) Cumulative single-institution bank account balances never exceeded uninsured limits and therefore, pledged collateral was not required on any uninsured deposits.

3. Capital Assets

Procedures

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

Results of Procedures

The BWSD performed a yearly inventory as required by Section 12-6-10 NMSA 1978 and maintains a capital asset listing.

4. Revenue

Procedures

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.

Select a sample of revenues based on auditor judgment and test using 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) An analytical review of prior-year to current-year revenue revealed no unexplained or unusual variations. The test of actual revenue compared to budgeted revenue for the year for each type of revenue revealed no exceptions.
- b) We requested supporting documentation for thirty (30) deposits (14% of total revenue) from a total of 187 deposits for the year. For the sample selected, amounts recorded in Quickbooks agreed with supporting documentation and the bank statements without exception.

c) Amounts were properly recorded on a cash basis as to classification, amount and period per review of supporting documentation.

5. Expenditures

Procedures

Select a sample of cash disbursements based on auditor judgment and test using 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 13-1-99 NMSA 1978) and State Purchasing Regulations (1.4.1 NMAC) and Regulations Governing the Per Diem and Mileage Act (2.42.2 NMAC).

Results of Procedures

- a) We requested supporting documentation for thirty-five (35) disbursements (22% of total expenses) out of a total of 236 disbursements for the year. For the sample selected, amounts recorded as disbursed agreed to supporting documentation. Amount paid, payee, date and description agreed with the vendor's invoice, purchase order, contract and cancelled check copy, as appropriate.
- b) Disbursements were properly authorized and approved in compliance with the budget, legal requirements and established policies and procedures.
- c) 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 13-1-99 NMSA 1978) and State Purchasing Regulations (1.4.1 NMAC) and Regulations Governing the Per Diem and Mileage Act (2.42.2 NMAC).

6. Journal Entries

Procedures

If non-routine journal entries, such as adjustments or reclassifications, are posted to the general ledger, test significant items 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.

Results of Procedures

The BWSD utilizes Quickbooks to record cash transactions only and does not prepare journal entries.

7. Budget

Procedures

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

- a) A review of the minutes revealed that the original proposed budget was approved by the BWSD and the DFA-LGD. There were no subsequent budget adjustments made.
- b) Total actual expenditures did not exceed the final budget at the total fund level, the legal level of budgetary control.
- c) A schedule of revenues and expenditures – budget and actual (Exhibit A) was prepared on the cash budgetary basis used by the BWSD. The BWSD submitted a year-end Budget to Actual Report for FY 2016 to DFA-LGD which is included herein (Exhibit B).

8. Other

Procedures

If information comes to the IPA's attention (regardless of materiality) indicating any fraud, illegal acts, noncompliance, or any internal control deficiencies, disclose 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.

Results of Procedures

No exceptions were found as a result of applying the procedures described above (regardless of materiality) indicating any fraud, illegal acts, noncompliance or any internal control deficiencies.

* * * * *

We were not engaged to, and did not conduct an audit of the financial statements or any part thereof, the objective of which would be the expression of an opinion on the financial statements or any part thereof, including the accompanying Exhibits A and B. 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 Bluewater Water & Sanitation District, the New Mexico State Auditor's Office, the Department of Finance and Administration, Local Government Division and the New Mexico Legislature and is not intended to be and should not be used by anyone other than those specified parties.

Macias, Gutierrez & Co., CPAs, P. C.

Macias, Gutierrez & Co., CPAs, P. C.
Española, New Mexico
November 10, 2016

STATE OF NEW MEXICO
BLUEWATER WATER & SANITATION DISTRICT
Schedule of Revenues and Expenditures-Budget and Actual (Cash Basis)
Year Ended June 30, 2016

| | Budgeted Amounts | | Actuals | Variance |
|---|-------------------|-------------------|------------------|----------------------------|
| | Original | Final | | Favorable (Unfavorable) |
| Revenues: | | | | |
| Customer Payments | \$ 216,279 | \$ 216,279 | \$ 236,953 | \$ 20,674 |
| Rental Income | 300 | 300 | 361 | 61 |
| Interest Income | - | - | 68 | 68 |
| NMFA Grant | 50,000 | 50,000 | - | (50,000) |
| Total revenues | 266,579 | 266,579 | 237,382 | (29,197) |
| Cash balance budgeted | 49,494 | 49,494 | 49,494 | - |
| Total revenues and cash balance budgeted | <u>\$ 316,073</u> | <u>\$ 316,073</u> | <u>286,876</u> | <u>(29,197)</u> |
| Expenditures: | | | | |
| Operational Expenses | \$ 190,000 | \$ 190,000 | \$ 165,108 | 24,892 |
| Other Expenses | 11,000 | 11,000 | 7,687 | 3,313 |
| CPA-AUP | 4,000 | 4,000 | 3,528 | 472 |
| Engineer Study for Water & Sewer System | 50,000 | 50,000 | 14,817 | 35,183 |
| BSCC Expenses | 5,000 | 5,000 | 5,018 | (18) |
| Total expenditures | <u>\$ 260,000</u> | <u>\$ 260,000</u> | <u>196,158</u> | <u>63,842</u> |
| Excess revenues over expenditures | | | <u>\$ 90,718</u> | <u>\$ 34,645</u> |

1:45 PM
07/08/16
Cash Basis

Bluewater Water & Sanitation District
Balance Sheet
As of June 30, 2016

| | <u>Jun 30, 16</u> |
|--|--------------------------|
| ASSETS | |
| Current Assets | |
| Checking/Savings | |
| 1010 · Operating (3631) | 41,613.27 |
| 1020 · Reserves (5230) | |
| 1020.1 · NMSBF Loan Reserve | 5,220.00 |
| 1020 · Reserves (5230) - Other | <u>29,483.41</u> |
| Total 1020 · Reserves (5230) | 34,703.41 |
| 1030 · Holding/Customer Deposits (5... | <u>7,137.02</u> |
| Total Checking/Savings | 83,453.70 |
| Total Current Assets | 83,453.70 |
| Fixed Assets | |
| 1500 · Operating Equipment | 3,187.47 |
| 1600 · Water & WWTP Systems | 463,006.44 |
| 1650 · New Well - 2016 | 74,814.55 |
| 1700 · Accumulated Depreciation | <u>-262,247.00</u> |
| Total Fixed Assets | 278,761.46 |
| TOTAL ASSETS | <u>362,215.16</u> |
| LIABILITIES & EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Credit Cards | |
| 2300 · Visa 2151 | <u>261.19</u> |
| Total Credit Cards | 261.19 |
| Other Current Liabilities | |
| 2100 · Refundable Customer Depo... | 7,136.02 |
| 2200 · Sales Tax Payable | <u>1,298.00</u> |
| Total Other Current Liabilities | 8,434.02 |
| Total Current Liabilities | 8,695.21 |
| Long Term Liabilities | |
| 2900 · State Board of Finance | 24,948.23 |
| 2920 · NMFA Loan | <u>18,890.68</u> |
| Total Long Term Liabilities | 43,838.91 |
| Total Liabilities | 52,534.12 |
| Equity | |
| 3000 · Opening Bal Equity | -84,808.91 |
| 3003 · Contribution - Construction Aid | 1,100.00 |
| 3004 · Contribution - From State | 182,200.00 |
| 3005 · Subsidy | 56,110.90 |
| 3900 · Retained Earnings | 113,855.21 |
| Net Income | <u>41,223.84</u> |
| Total Equity | 309,681.04 |
| TOTAL LIABILITIES & EQUITY | <u>362,215.16</u> |

Bluewater Water & Sanitation District
FY 15-16 Profit & Loss Budget vs. Actual
 July 2015 through June 2016

1:46 PM
 07/08/16
 Cash Basis

| | Jul '15 - Jun... | Budget | \$ Over Bud... | % of Budget |
|---|-------------------|-------------------|-------------------|---------------|
| Ordinary Income/Expense | | | | |
| Income | | | | |
| 4100 · Water | 125,097.59 | 99,579.00 | 25,518.59 | 125.6% |
| 4110 · Refuse | 43,341.30 | 46,000.00 | -2,658.70 | 94.2% |
| 4120 · Waste | 49,842.53 | 51,500.00 | -1,657.47 | 96.8% |
| 4130 · Fees | 918.87 | 0.00 | 918.87 | 100.0% |
| 4140 · System Maintenance | 17,752.58 | 19,200.00 | -1,447.42 | 92.5% |
| 4150 · BSCCC | 361.27 | 300.00 | 61.27 | 120.4% |
| 4200 · Interest Income | 68.03 | 0.00 | 68.03 | 100.0% |
| 4300 · Grants | 0.00 | 50,000.00 | -50,000.00 | 0.0% |
| Total Income | 237,382.17 | 266,579.00 | -29,196.83 | 89.0% |
| Gross Profit | 237,382.17 | 266,579.00 | -29,196.83 | 89.0% |
| Expense | | | | |
| 6000 · Operational System Expenses | | | | |
| 6050 · Engineer Study | 14,491.14 | 9,000.00 | 5,491.14 | 161.0% |
| 6052 · PER Management & Funding | 326.08 | | | |
| 6054 · New Well Construction Supp... | 0.00 | 50,000.00 | -50,000.00 | 0.0% |
| 6050 · Engineer Study - Other | | | | |
| Total 6050 · Engineer Study | 14,817.22 | 59,000.00 | -44,182.78 | 25.1% |
| 6100 · General Maintenance | | | | |
| 6110 · Water System - Labor | 4,237.10 | 4,000.00 | 237.10 | 105.9% |
| 6120 · Waste Water Plant - Labor | | | | |
| 6121 · Sewer Plant | 12,671.75 | 5,000.00 | 7,671.75 | 253.4% |
| 6122 · Tietjen Lift Station | 1,506.52 | 2,500.00 | -993.48 | 60.3% |
| 6123 · Cemetery Lift Station | 1,446.58 | 2,000.00 | -553.42 | 72.3% |
| 6124 · Contract Labor | 2,198.07 | 5,000.00 | -2,801.93 | 44.0% |
| Total 6120 · Waste Water Plant - La... | 17,822.92 | 14,500.00 | 3,322.92 | 122.9% |
| 6130 · Sampling/Testing - Labor & F... | 4,629.94 | 5,000.00 | -370.06 | 92.6% |
| 6140 · Equipment Rental | 230.50 | 1,000.00 | -769.50 | 23.1% |
| 6150 · Equipment | 0.00 | 1,000.00 | -1,000.00 | 0.0% |
| 6160 · Materials & Supplies | 15,820.62 | 9,000.00 | 6,820.62 | 175.8% |
| Total 6100 · General Maintenance | 42,741.08 | 34,500.00 | 8,241.08 | 123.9% |
| 6200 · Upgrades and Repairs | | | | |
| 6205 · Water & Sewer Taps | 226.98 | | | |
| 6210 · Water System - Labor | 2,030.04 | 4,000.00 | -1,969.96 | 50.8% |
| 6220 · Waste Water Plant - Labor | | | | |
| 6221 · Sewer Plant | 1,341.62 | 1,000.00 | 341.62 | 134.2% |
| Total 6220 · Waste Water Plant - La... | 1,341.62 | 1,000.00 | 341.62 | 134.2% |

03

**Bluewater Water & Sanitation District
FY 15-16 Profit & Loss Budget vs. Actual
July 2015 through June 2016**

| | Jul '15 - Jun... | Budget | \$ Over Bud... | % of Budget |
|--|------------------|------------------|-------------------|--------------|
| 6230 · Equipment Rental | 2,045.83 | | | |
| 6240 · Equipment | 966.66 | 9,400.00 | -8,433.34 | 10.3% |
| 6250 · Materials & Supplies | 113.85 | 4,000.00 | -3,886.15 | 2.8% |
| Total 6200 · Upgrades and Repairs | 6,724.98 | 18,400.00 | -11,675.02 | 36.5% |
| 6300 · Billing Expense | | | | |
| 6310 · Meter Reading - Labor | 2,626.21 | 2,500.00 | 126.21 | 105.0% |
| 6320 · Shut-Offs - Labor | 404.96 | 750.00 | -345.04 | 54.0% |
| Total 6300 · Billing Expense | 3,031.17 | 3,250.00 | -218.83 | 93.3% |
| 6400 · Utilities | | | | |
| 6410 · Electric | | | | |
| 6412 · Tietjen Lift Station | 1,007.28 | 700.00 | 307.28 | 143.9% |
| 6410 · Electric - Other | 4,462.18 | 10,000.00 | -5,537.82 | 44.6% |
| Total 6410 · Electric | 5,469.46 | 10,700.00 | -5,230.54 | 51.1% |
| 6420 · Telephone | 2,127.82 | 2,200.00 | -72.18 | 96.7% |
| Total 6400 · Utilities | 7,597.28 | 12,900.00 | -5,302.72 | 58.9% |
| 6500 · Mileage | 3,496.26 | 4,100.00 | -603.74 | 85.3% |
| 6600 · License & Fees | 1,215.75 | 3,650.00 | -2,434.25 | 33.3% |
| 6700 · Solid Waste Disposal | | | | |
| 6710 · Residential | 39,952.37 | 41,800.00 | -1,847.63 | 95.6% |
| 6720 · Commercial | 3,104.95 | 3,700.00 | -595.05 | 83.9% |
| 6730 · Trash Cans - Labor | 289.86 | 500.00 | -210.14 | 58.0% |
| Total 6700 · Solid Waste Disposal | 43,347.18 | 46,000.00 | -2,652.82 | 94.2% |
| 6800 · Administrative Expenses | | | | |
| 6810 · Accountant/Bookkeeper | 18,954.30 | 15,000.00 | 3,954.30 | 126.4% |
| 6820 · Administrative Support | | | | |
| 6821 · Manager | 8,777.54 | 10,000.00 | -1,222.46 | 87.8% |
| 6822 · Secretary | 23,361.44 | 26,300.00 | -2,938.56 | 88.8% |
| 6823 · Board | 1,780.69 | 1,500.00 | 280.69 | 118.7% |
| Total 6820 · Administrative Support | 33,919.67 | 37,800.00 | -3,880.33 | 89.7% |

Bluewater Water & Sanitation District
FY 15-16 Profit & Loss Budget vs. Actual
 July 2015 through June 2016

1:46 PM
 07/08/16
 Cash Basis

| | Jul '15 - Jun... | Budget | \$ Over Bud... | % of Budget |
|---|-------------------|-------------------|-------------------|---------------|
| 6830 · Office Supplies | 1,977.66 | 2,000.00 | -22.34 | 98.9% |
| 6840 · Equipment and Software | 0.00 | 400.00 | -400.00 | 0.0% |
| 6850 · Postage | 1,712.91 | 2,400.00 | -687.09 | 71.4% |
| 6880 · Bank Charges | 389.66 | 600.00 | -210.34 | 64.9% |
| 6895 · Advertising | 0.00 | 0.00 | 0.00 | 0.0% |
| Total 6800 · Administrative Expenses | 56,954.20 | 58,200.00 | -1,245.80 | 97.9% |
| Total 6000 · Operational System Expen... | 179,925.12 | 240,000.00 | -60,074.88 | 75.0% |
| Total Expense | 179,925.12 | 240,000.00 | -60,074.88 | 75.0% |
| Net Ordinary Income | 57,457.05 | 26,579.00 | 30,878.05 | 216.2% |
| Other Income/Expense | | | | |
| Other Expense | | | | |
| 7000 · Other Expenses | | | | |
| 7010 · Training | 5,348.26 | 4,000.00 | 1,348.26 | 133.7% |
| 7020 · Insurance | 1,836.00 | 3,000.00 | -1,164.00 | 61.2% |
| 7030 · Property Taxes | 133.14 | 150.00 | -16.86 | 88.8% |
| 7040 · Dues - NMRWA | 180.00 | 200.00 | -20.00 | 90.0% |
| 7050 · Interest Expense | 189.09 | | | |
| 7060 · Land Lease | 0.00 | 120.00 | -120.00 | 0.0% |
| 7070 · AUP - CPA | 3,528.28 | 4,000.00 | -471.72 | 88.2% |
| 7090 · Board Expenses | 0.00 | 3,530.00 | -3,530.00 | 0.0% |
| 7900 · BSCCC | 5,018.44 | 5,000.00 | 18.44 | 100.4% |
| 7000 · Other Expenses - Other | 0.00 | | | |
| Total 7000 · Other Expenses | 16,233.21 | 20,000.00 | -3,766.79 | 81.2% |
| Total Other Expense | 16,233.21 | 20,000.00 | -3,766.79 | 81.2% |
| Net Other Income | -16,233.21 | -20,000.00 | 3,766.79 | 81.2% |
| Net Income | 41,223.84 | 6,579.00 | 34,644.84 | 626.6% |

51

**Bluewater Water and Sanitation District
4th Quarter Report**

| | 2015- 2016 | | 2016-2017 | |
|--|------------------------|---------|------------------------|------------------------|
| | Final Operating Budget | 4th QTR | June | Final Operating Budget |
| | 30, 2016 | Actual | \$ Over Budget (Under) | |

Total Beginning Balance \$ 49,493.72 \$ 49,493.72 ✓ \$ 49,493.72 ✓ **\$ 83,453.70**
 \$ 72,044.96

| | | | | |
|-------------------------------|----------------------|----------------------|-----------------------|----------------------|
| Customer Payments | \$ 216,279.00 | \$ 236,952.87 | \$ 20,673.87 | \$ 216,279.00 |
| Rental Income from BSCCC | \$ 300.00 | \$ 361.27 | \$ 61.27 | \$ 300.00 |
| Loan from NM Board of Finance | \$ - | \$ - | \$ - | \$ - |
| Interest Income | \$ - | \$ 68.03 | \$ 68.03 | \$ - |
| NMFA Grant | \$ 50,000.00 | \$ - | \$ (50,000.00) | \$ - |
| Reserve Account | \$ - | \$ - | \$ - | \$ - |
| Total Revenue | \$ 266,579.00 | \$ 237,382.17 | \$ (29,196.83) | \$ 216,579.00 |

| | | | | |
|---------------------------|----------------------|----------------------|-----------------------|----------------------|
| Operational Expenses | \$ 190,000.00 | \$ 165,107.90 | \$ (24,892.10) | \$ 190,000.00 |
| Engineer Study for WWTP | \$ 50,000.00 | \$ 14,817.22 | \$ (35,182.78) | \$ - |
| Other Expenses | \$ 11,000.00 | \$ 7,686.49 | \$ (3,313.51) | \$ 11,000.00 |
| CPA-AU/P | \$ 4,000.00 | \$ 3,528.28 | \$ (471.72) | \$ 4,000.00 |
| BSCC Expenses | \$ 5,000.00 | \$ 5,018.44 | \$ 18.44 | \$ 5,000.00 |
| Other Expenses | \$ - | \$ - | \$ - | \$ - |
| Total Expenditures | \$ 260,000.00 | \$ 196,158.33 | \$ (63,841.67) | \$ 210,000.00 |

| | | | | |
|---|--------------|--------------|--------------|--------------|
| Net Income Per Balance Sheet | \$ - | \$ 41,223.84 | \$ 34,644.84 | \$ - |
| Change in Cash/Income Statement | \$ 56,072.72 | \$ 90,717.56 | \$ 34,644.84 | \$ 78,623.96 |
| Less Loan Payment | \$ 7,830.00 | \$ 7,830.00 | \$ - | \$ 7,830.00 |
| Customer Deposit Adjust. Reconciliation | \$ - | \$ 379.11 | \$ - | \$ - |
| New Well Adjustment | \$ - | \$ 187.03 | \$ - | \$ - |
| Projected Ending Cash | \$ 48,242.72 | \$ 83,453.70 | \$ 35,210.98 | \$ 70,793.96 |

\$90,000

NOTES

| Accounts Payable | current | difference |
|------------------|----------|------------|
| 6.30.15 | 8,771.80 | 76.59 |
| | 8,695.21 | |

APPROVED (AS AMENDED) PURSUANT TO SECTION 6-6-2 ^{14.1.2016} 1378 LOCAL GOVERNMENT DIVISION
 DATE 8/18/16
 BY Glynn M. Rodman
 DEPARTMENT OF FINANCE AND ADMINISTRATION

**STATE OF NEW MEXICO
BLUEWATER WATER & SANITATION DISTRICT**

**Schedule of Findings and Responses
Year Ended June 30, 2016**

| | <u>Type of Finding *</u> | <u>Prior Year Finding Number</u> | <u>Current Year Finding Number</u> |
|--|----------------------------------|--|--|
| Current Year Findings: None | N/A | N/A | N/A |
| Follow-up on Prior Year Findings: None | N/A | N/A | N/A |

*** Legend for Findings:**

- A. Fraud
- B. Illegal Act(s)
- C. Internal Control Deficiency(ies)
- D. Noncompliance

**STATE OF NEW MEXICO
BLUEWATER WATER & SANITATION DISTRICT**

**Exit Conference
Year Ended June 30, 2016**

EXIT CONFERENCE

The report contents were discussed in a telephone exit conference held on November 21, 2016 with the following:

Bluewater Water & Sanitation District

By telephone:

David Hassell, Board Chairman
Kay Spencer, Secretary
Diane Nunez, Finance Manager

Accounting Firm

James R. (Jim) Macias, CPA