

**SUN VALLEY WATER AND  
SANITATION DISTRICT**

**INDEPENDENT ACCOUNTANT'S REPORT  
ON THE APPLICATION OF TIER 4  
AGREED-UPON PROCEDURES  
YEAR ENDED JUNE 30, 2016**



**SUN VALLEY WATER AND SANITATION DISTRICT**  
**TABLE OF CONTENTS**  
**JUNE 30, 2016**

|  | <b>Page<br/>Number</b> |
|--|------------------------|
| <b>INTRODUCTORY SECTION</b>  |                        |
| Table of Contents .....  | i                      |
| Official Roster .....  | ii                     |
| <b>FINANCIAL SECTION</b>   |                        |
| Independent Accountant's Report on the Application of<br>Tier 4 Agreed-Upon Procedures ..... | 1                      |
| Scope of Procedures and Results .....  | 2                      |
| Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP) .....                   | 5                      |
| Copy of Year End Financial Report Submitted to DFA .....                                     | 6                      |
| Schedule of Findings and Responses .....   | 11                     |
| Schedule of Status of Prior Year Findings .....  | 11                     |
| Other Disclosures .....  | 12                     |

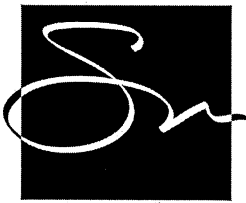
**SUN VALLEY WATER AND SANITATION DISTRICT  
OFFICIAL ROSTER  
JUNE 30, 2016**

**BOARD OF DIRECTORS**

| <b>Name</b>      | <b>Title</b>           |
|------------------|------------------------|
| James Miller     | Chairman/Director      |
| Marc Stewart     | Vice Chairman/Director |
| Charles Britten  | Treasurer/Director     |
| Frank Vanderveen | Director               |
| Sarah Mazur      | Director               |

**ADMINISTRATIVE/OPERATIONS STAFF**

|                |                 |
|----------------|-----------------|
| Joe Buchanan   | System Operator |
| Sharon Stewart | Bookkeeper      |
| Karen Payton   | Secretary       |



**SCOTT NORTHAM, CPA, PC**  
Certified Public Accountants

**INDEPENDENT ACCOUNTANT'S REPORT ON THE  
APPLICATION OF TIER 4 AGREED-UPON PROCEDURES**

Timothy Keller, New Mexico State Auditor, and  
Board of Directors of  
Sun Valley Water and Sanitation District  
Alto, New Mexico

We have performed the procedures enumerated below for the Sun Valley Water and Sanitation District (District), for the year ended June 30, 2016. The District was determined to be a Tier 4 entity under the Audit Act, Section 12-6-3 B (4) NMSA 1978 and Section 2.2.2.16 NMAC. The procedures were agreed to by the District through the Office of the New Mexico State Auditor. The 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 results are detailed under Scope of Procedures and Results as noted in the table of contents.

Our findings related to the procedures in the Scope of Procedures and Results are presented in the accompanying schedule of findings and responses as listed in the table of contents.

We were not engaged to, and did not conduct an audit of financial statements or any part thereof, the objective of which would be the expression of an opinion on the financial statements or a part thereof. 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 the Sun Valley Water and Sanitation, the New Mexico Office of the State Auditor, the New Mexico Legislature, and the DFA-LGD and is not intended to be and should not be used by anyone other than those specified parties.

Scott Northam, CPA, PC  
Ruidoso, New Mexico  
October 10, 2016

**SUN VALLEY WATER AND SANITATION DISTRICT  
SCOPE OF PROCEDURES AND RESULTS  
JUNE 30, 2016**

|   |  |
|---|--|
| <b>1. Verify the local public body's revenue calculation and tier determination documented on the form provided at <a href="http://www.osanm.org">www.osanm.org</a> under "Tiered System Reporting Main Page."</b>              |  |
| Tier 4 Requirements – Cash basis revenues of \$50,000 or more but less than \$250,000 and no capital outlay award expenditures.   | The District's cash basis revenues totaled \$177,636 and the District did not have any capital outlay awards to expend. Therefore the District is correctly categorized as a Tier 4 agency.  |
| <b>2. Cash Procedures</b>   |  |
| a. Determine whether bank reconciliations are being performed in a timely manner and whether all bank and investment statements are complete and on-hand.   | All fiscal year bank statements were on-hand and available for compliance examination. Reconciliations were timely performed within the first ten days after the end of the month.   |
| 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.                | A review of all bank reconciliations noted the reconciliations were accurate and agreed with the general ledger and DFA 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 District's funds on deposit with the financial institution did not exceed the \$250,000 FDIC maximum insured coverage during the year. Therefore, the financial institution was not required to provide additional collateralization for uninsured deposits. |
| <b>3. Capital Assets</b>  |  |
| Verify that the local public body is performing a yearly inventory as required by Section 12-6-10 NMSA 1978.  | The District maintains and annually approves a capital asset inventory listing as required under Section 12-6-10 NMSA 1978.  |
| <b>4. Revenue</b><br><b>Identify the nature and amount of revenue from sources by reviewing the budget, agreements, rate schedules, and underlying documentation.</b>   |  |
| a. Perform an analytical review; test actual revenue compared to budgeted revenue for the year for each type of revenue.  | Analytical review and tests of actual revenue compared to budgeted revenue for the fiscal year noted no exceptions.  |
| b. Select a sample of revenue based on auditor judgement using the following attribute: Amount recorded in the general ledger agrees to the supporting documentation and the bank statement.                                    | Amounts recorded in the general ledger agreed with deposit slips, utility reports and other supporting documentation provided and the bank statements with no exceptions.  |

**SUN VALLEY WATER AND SANITATION DISTRICT  
SCOPE OF PROCEDURES AND RESULTS  
JUNE 30, 2016**

|  |  |
|--|--|
| <p>c. Select a sample of revenue based on auditor judgement using the following attribute: Proper 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.</p> | <p>Amounts were properly recorded on cash basis as to classification, amount and period per review of supporting documentation.</p>  |
| <p><b>5. Expenditures</b><br/><b>Select a sample of cash disbursements based on auditor judgement using the following attributes:</b></p>  |  |
| <p>a. Determine that the 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 canceled check, as appropriate.</p>   | <p>A representative sample of 25 disbursement transactions noted no exceptions with respect to amount, payee, date and description.</p>  |
| <p>b. Determine that disbursements were properly authorized and approved in compliance with the budget, legal requirements and established policies and procedures.</p>  | <p>A representative sample of 25 disbursements noted no exceptions as to authorization and approval for payment, budget compliance and compliance with policies and procedures.</p>  |
| <p>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 13-1-199 NMSA 1978) and State Purchasing Regulations (1.4.1 NMAC) and Regulations Governing the Per Diem and Mileage Act (2.42.2 NMAC).</p>          | <p>Disbursement testwork revealed no exceptions to the process (or request for proposal process, if applicable), purchase orders, contracts and agreements being 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).</p> |
| <p><b>6. Journal Entries</b><br/><b>If non-routine journal entries, such as adjustments or reclassifications, are posted to the general ledger, test significant items for the following attributes:</b></p>   |  |
| <p>a. Journal entries appear reasonable and have supporting documentation.</p>   | <p>There were no non-routine journal entries posted to the general ledger</p>  |
| <p>b. The local public body has procedures that require journal entries to be reviewed and there is evidence the reviews are being performed.</p>  | <p>There were no non-routine journal entries posted to the general ledger. The District has policies in place that require any journal entries made by the bookkeeper to be reviewed and approved by the Treasurer.</p>  |

**SUN VALLEY WATER AND SANITATION DISTRICT  
SCOPE OF PROCEDURES AND RESULTS  
JUNE 30, 2016**

|   |  |
|---|--|
| <b>7. Budget</b>  |  |
| <b>Obtain the original fiscal year budget and all budget amendments made throughout the fiscal year and perform the following:</b>  |  |
| a. Verify, through a review of the minutes and correspondence, that the original budget and subsequent budget adjustments were approved by the local body's governing body and DFA-LGD.   | The original budget was approved by the Board of Directors and DFA-LGD. There were no subsequent budget adjustments for the fiscal year.   |
| b. Determine if the total actual expenditures exceeded the final budget at the legal level of budgetary control; if so, report a compliance finding.  | Total actual expenditures did not exceed the final budget at the total fund level, the legal level of budgetary control.   |
| 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 fund.   | The Schedule of Revenue and Expenditures – Budget and Actual on the cash basis is following these procedures.  |
| <b>8. Other</b>   |  |
| 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. | No exceptions were found as a result of applying the procedures described above (regardless of materiality) indicating any fraud, illegal acts or internal control deficiencies. |

**STATE OF NEW MEXICO**  
**SUN VALLEY WATER AND SANITATION DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN**  
**NET POSITION - BUDGET AND ACTUAL (NON-GAAP BASIS)**  
**YEAR ENDED JUNE 30, 2016**

|  | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>    | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|--|----------------------------|-------------------------|------------------|---|
| <b>REVENUES</b>                            |                            |                         |                  |   |
| Charges for Services                       | \$ 81,000                  | \$ 81,000               | \$ 99,025        | \$ 18,025                                       |
| Transfer and Late Fees                     | 1,650                      | 1,650                   | 8,335            | 6,685   |
| Property Tax                               | 60,469                     | 60,469                  | 62,795           | 2,326   |
| Interest Income                            | 480                        | 480                     | 900              | 420   |
| Gross Receipts Tax Collected               | 4,200                      | 4,200                   | 5,399            | 1,199   |
| Other                                      | 425                        | 425                     | 1,811            | 1,386   |
|  | <u>148,224</u>             | <u>148,224</u>          | <u>178,265</u>   | <u>30,041</u>                                   |
| <b>Total Revenues</b>                      |                            |                         |                  |   |
| <b>EXPENDITURES</b>                        |                            |                         |                  |   |
| Contract Services                          | 57,414                     | 62,492                  | 62,492           | -   |
| Water Conservation Fee                     | 200                        | 200                     | 129              | 71  |
| Insurance                                  | 4,000                      | 4,100                   | 4,004            | 96  |
| Dues                                       | 300                        | 353                     | 353              | -   |
| Mill Levy Tax Fee                          | 650                        | 650                     | 628              | 22  |
| Legal and Accounting                       | 9,302                      | 9,302                   | 4,931            | 4,371   |
| Water Treatment                            | 550                        | 550                     | 383              | 167   |
| Office Expense                             | 7,010                      | 7,010                   | 5,748            | 1,262   |
| Education and Training                     | 2,000                      | 2,000                   | 422              | 1,578   |
| Repairs and Maintenance                    | 12,000                     | 14,250                  | 14,200           | 50  |
| Supplies                                   | 5,000                      | 5,000                   | 3,084            | 1,916   |
| Utilities                                  | 2,000                      | 2,000                   | 1,554            | 446   |
| SCADA and Radio Read Meters                | 200                        | 200                     | 1,584            | (1,384)   |
| Gross Receipts Tax Remitted                | 4,200                      | 5,400                   | 5,399            | 1   |
| Capital Outlay                             | 43,398                     | 34,717                  | 1,605            | 33,112  |
|  | <u>148,224</u>             | <u>148,224</u>          | <u>106,516</u>   | <u>41,708</u>                                   |
| <b>Total Expenses</b>                      |                            |                         |                  |   |
| <b>Change in Net Position</b>              | -                          | -                       | 71,749           | <u>\$ 71,749</u>                                |
| <b>Cash - Beginning of Year</b>            | <u>120,738</u>             | <u>120,738</u>          |                  |   |
| <b>Cash - End of Year</b>                  | <u>\$ 120,738</u>          | <u>\$ 120,738</u>       |                  |   |
| <b>Reconciliation to GAAP Basis</b>        |                            |                         |                  |   |
| Depreciation                               |                            |                         | (41,923)         |   |
| Change in:                                 |                            |                         |                  |   |
| Accounts Receivable                        |                            |                         | 939              |   |
| Accounts Payable                           |                            |                         | <u>(419)</u>     |   |
| <b>Change in Net Position - GAAP Basis</b> |                            |                         | <u>\$ 30,346</u> |   |

See independent accountant's compilation report.



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

SUBMIT TO LOCAL GOVERNMENT DIVISION NOT LATER  
THAN 30 DAYS 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. \_\_\_\_ INCLUDES ALL FUNDS  
Charles Britten

Special District Sun Valley Water & Sanitation Dist  
Period Ending: 30-Jun-16  
Prepared by: Charles Britten - Treasurer

TRANSACTIONS PER BOOKS

| Fund #  | FUND (1)              | CASH BALANCE PER BOOKS July 1, 2013 (3) | REVENUES TO DATE (4) | NET TRANSFERS (5) | EXPENDITURES TO DATE (6) | BOOK BALANCE END OF PERIOD (7) | ADD: OUTSTANDING CHECKS (8) | LESS: DEPOSITS IN TRANSIT (9) | ADJUSTMENTS (10) | ADJUSTED BALANCE END OF PERIOD (11) | BALANCE PER BANK STATEMENTS (12) | DIFFERENCE (13) |
|---------|-----------------------|---|----------------------|-------------------|--------------------------|--------------------------------|-----------------------------|-------------------------------|------------------|-------------------------------------|----------------------------------|-----------------|
| 1-103   | Money Market          | 120,408.31                              | 158,547.59           | (86,633.33)       |                          | 192,322.57                     |                             |                               |                  | 192,322.57                          | 192,322.57                       | 0.00            |
| 1-103.5 | Checking              | 300.33                                  | 19,088.40            | 86,633.33         | 105,901.31               | 120.75                         |                             |                               |                  | 120.75                              | 120.75                           | 0.00            |
| 1-104   | Petty Cash            | 29.49                                   | 100.16               |                   | 86.12                    | 43.53                          |                             |                               |                  | 43.53                               | 43.53                            | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         | SUB-TOTAL             | 120,738.13                              | 177,736.15           | 0.00              | 105,987.43               | 192,486.85                     | 0.00                        | 0.00                          | 0.00             | 192,486.85                          | 192,486.85                       | 0.00            |
|         | INVESTMENTS           |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         | NONE                  |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         |                       |   |                      |                   |                          | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         | SUB-TOTAL INVESTMENTS | 0.00                                    | 0.00                 | 0.00              | 0.00                     | 0.00                           |                             |                               |                  | 0.00                                |                                  | 0.00            |
|         | GRAND TOTAL           | \$120,738.13                            | \$177,736.15         | \$0.00            | \$105,987.43             | \$192,486.85                   | \$0.00                      | \$0.00                        | \$0.00           | \$192,486.85                        | \$192,486.85                     | \$0.00          |

**RECAP**

**STATE OF NEW MEXICO  
SUN VALLEY WATER AND SANITATION DISTRICT  
4TH QUARTER DFA FINANCIAL REPORT.  
YEAR ENDED JUNE 30, 2016**

| FUND                            | CURRENT<br>QUARTER | TO DATE           | APPROVED<br>BUDGET | % OF<br>BUDGET |
|---------------------------------|--------------------|-------------------|--------------------|----------------|
| REVENUES:                       |                    |                   |                    |                |
| Water Revenue                   | 23,269.38          | 99,024.90         | 81,000.00          | 122.3%         |
| Tap Fees                        | 0.00               | 5,000.00          | 0                  | #DIV/0!        |
| Transfer Fee                    | 100.00             | 2,450.00          | 750                | 326.7%         |
| Late Fees                       | 215.00             | 885.00            | 800                | 110.6%         |
| Misc Fees                       | 285.50             | 595.92            | 100                | 595.9%         |
| Total County Tax Proceeds       | 18,135.96          | 62,166.70         | 60,469.00          | 102.8%         |
| Interest Income                 | 270.93             | 899.57            | 480                | 187.4%         |
| Solar Income                    | 0.00               | 911.00            | 325                | 280.3%         |
| Other Income                    | -142.86            | 304.20            | 100                | 304.2%         |
| NM Gross Receipts Tax Collected | 1,188.71           | 5398.7            | 4,200.00           | 128.5%         |
|                                 |                    |                   |                    | #DIV/0!        |
| <b>TOTAL REVENUE</b>            | <b>43,322.62</b>   | <b>177,635.99</b> | <b>148,224.00</b>  | <b>119.8%</b>  |
| TRANSFERS: IN/(OUT)             |                    |                   |                    |                |
|                                 |                    |                   |                    | #DIV/0!        |
|                                 |                    |                   |                    | #DIV/0!        |
|                                 |                    |                   |                    | #DIV/0!        |
| <b>NET TRANSFERS</b>            | <b>0</b>           | <b>0</b>          | <b>0</b>           | <b>#DIV/0!</b> |
| EXPENDITURES:                   |                    |                   |                    |                |
| Contract Labor                  | 18173.67           | 62491.99          | 57,414.00          | 108.8%         |
| Water Conservation Fee          | 0.00               | 128.79            | 200                | 64.4%          |
| Insurance & Bonds               | 3,878.00           | 4,004.00          | 4,000.00           | 100.1%         |
| Membership Dues                 | 86.85              | 352.74            | 300                | 117.6%         |
| Mill Levy Tax Fee               | 0.00               | 0.00              | 650                | 0.0%           |
| Legal                           | 0.00               | 629.24            | 5,000.00           | 12.6%          |
| Accounting                      | 0.00               | 4,301.55          | 4,302.00           | 100.0%         |
| Water Treatment Expense         | 0.00               | 383.36            | 550                | 69.7%          |
| Office Expenses                 | 1,980.22           | 5,742.46          | 7,000.00           | 82.0%          |
| Education & Training            | 421.66             | 421.66            | 2,000.00           | 21.1%          |
| Repairs & Maintenance           | 8,685.11           | 14,200.06         | 12,000.00          | 118.3%         |
| Supplies & Pipe                 | 1,292.50           | 3,083.89          | 5,000.00           | 61.7%          |
| Utilities                       | 334.00             | 1,554.00          | 2,000.00           | 77.7%          |
| Scada System                    | 0.00               | 186.79            | 200                | 93.4%          |
| Water Meter Project             | 1,397.06           | 1,397.06          | 20,000.00          | 7.0%           |
| Capital Outlay                  | 0.00               | 1,604.66          | 23,398.00          | 6.9%           |
| NM Gross Receipts Tax Paid      | 1,197.58           | 5,399.59          | 4,200.00           | 128.6%         |
| Bank Charges                    | 0.00               | 5.43              | 10                 | 54.3%          |
|                                 |                    |                   |                    | #DIV/0!        |
|                                 |                    |                   |                    | #DIV/0!        |
| <b>TOTAL EXPENDITURES</b>       | <b>37,446.65</b>   | <b>105887.27</b>  | <b>148,224.00</b>  | <b>71.4%</b>   |

**STATE OF NEW MEXICO  
SUN VALLEY WATER AND SANITATION DISTRICT  
4TH QUARTER DFA FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2016**

| Entity Name:<br>Sun Valley Water & Sanitation Dist. |      |       |                  |                    |              |                 |                       |                |                 | Entity Code: 0    |
|---|------|-------|------------------|--------------------|--------------|-----------------|-----------------------|----------------|-----------------|-------------------|
|   |      |       |                  |                    |              |                 |                       |                |                 | Qtr. Reporting: 4 |
|   |      |       |                  |                    |              |                 |                       |                |                 | Page: 3           |
| DISTRICT RECEIPTS                                   | Fund | Item  | Qtr. Reporting   | Year to Date Total | Encumbrances | Approved Budget | Resolution Ad. Budget | Adopted Budget | Budget Balance  | Budget % Received |
| <b>GENERAL FUND</b>                                 |      |       |                  |                    |              |                 |                       |                |                 |                   |
| Water Revenue                                       |      | 4-100 | 23,269.38        | 99,024.90          |              | 81,000          |                       | 81,000         | (18,025)        | 122.25%           |
| Tap Fees  |      | 4-101 | 0.00             | 5,000.00           |              | 0               |                       | 0              | (5,000)         | #DIV/0!           |
| Transfer Fee  |      | 4-125 | 100.00           | 2,450.00           |              | 750             |                       | 750            | (1,700)         | 326.67%           |
| Late Fees   |      | 4-150 | 215.00           | 885.00             |              | 800             |                       | 800            | (85)            | 110.63%           |
| Misc Fees   |      | 4-175 | 285.50           | 595.92             |              | 100             |                       | 100            | (496)           | 595.92%           |
| Total County Tax Proceeds                           |      | 4-200 | 18,135.96        | 62,166.70          |              | 60,469          |                       | 60,469         | (1,698)         | 102.81%           |
| Interest Income                                     |      | 4-300 | 270.93           | 899.57             |              | 480             |                       | 480            | (420)           | 187.41%           |
| Solar Income  |      | 4-375 | 0.00             | 911.00             |              | 325             |                       | 325            | (586)           | 280.31%           |
| Other Income  |      | 4-400 | (142.86)         | 304.20             |              | 100             |                       | 100            | (204)           | 304.20%           |
| NM Gross Receipts Tax Collected                     |      | 4-450 | 1,188.71         | 5,399.70           |              | 4,200           |                       | 4,200          | (1,199)         | 128.54%           |
| <b>TOTAL GENERAL FUND</b>                           |      |       | <b>43,322.62</b> | <b>177,635.99</b>  |              | <b>148,224</b>  | <b>0</b>              | <b>148,224</b> | <b>(29,412)</b> | <b>119.84%</b>    |

| Entity Name:<br>Sun Valley Water & Sanitation Dist. |      |            |                  |                    |              |                 |                       |                |                | Entity Code: 0    |
|---|------|------------|------------------|--------------------|--------------|-----------------|-----------------------|----------------|----------------|-------------------|
|   |      |            |                  |                    |              |                 |                       |                |                | Qtr. Reporting: 4 |
|   |      |            |                  |                    |              |                 |                       |                |                | Page: 4           |
| DISTRICT DISBURSEMENTS                              | Fund | Dept. Code | Qtr. Reporting   | Year to Date Total | Encumbrances | Approved Budget | Resolution Ad. Budget | Adopted Budget | Budget Balance | Budget % Expended |
| <b>GENERAL FUND</b>                                 |      |            |                  |                    |              |                 |                       |                |                |                   |
| Contract Labor                                      |      | 5-125      | 18,173.67        | 62,491.99          |              | 57,414          | 5,078                 | 62,492         | 0              | 100.00%           |
| Water Conservation Fee                              |      | 5-175      | 0.00             | 128.79             |              | 200             |                       | 200            | 71             | 64.40%            |
| Insurance & Bonds                                   |      | 5-200      | 3,878.00         | 4,004.00           |              | 4,000           | 100                   | 4,100          | 96             | 97.66%            |
| Membership Dues                                     |      | 5-230      | 86.85            | 352.74             |              | 300             | 53                    | 353            | 0              | 99.93%            |
| Mill Levy Tax Fee                                   |      | 5-240      | 0.00             | 0.00               |              | 650             |                       | 650            | 650            | 0.00%             |
| Legal   |      | 5-250      | 0.00             | 629.24             |              | 5,000           |                       | 5,000          | 4,371          | 12.58%            |
| Accounting  |      | 5-260      | 0.00             | 4,301.55           |              | 4,302           |                       | 4,302          | 0              | 99.99%            |
| Water Treatment Expense                             |      | 5-262      | 0.00             | 383.36             |              | 550             |                       | 550            | 167            | 69.70%            |
| Office Expenses                                     |      | 5-275      | 1,980.22         | 5,742.46           |              | 7,000           |                       | 7,000          | 1,258          | 82.04%            |
| Education & Training                                |      | 5-285      | 421.66           | 421.66             |              | 2,000           |                       | 2,000          | 1,578          | 21.08%            |
| Repairs & Maintenance                               |      | 5-300      | 8,685.11         | 14,200.06          |              | 12,000          | 2,250                 | 14,250         | 50             | 99.65%            |
| Supplies & Pipe                                     |      | 5-325      | 1,292.50         | 3,083.89           |              | 5,000           |                       | 5,000          | 1,916          | 61.68%            |
| Utilities   |      | 5-350      | 334.00           | 1,554.00           |              | 2,000           |                       | 2,000          | 446            | 77.70%            |
| Escada System                                       |      | 5-375      | 0.00             | 186.79             |              | 200             |                       | 200            | 13             | 93.40%            |
| Water Meter Project                                 |      | 5-390      | 1,397.06         | 1,397.06           |              | 20,000          |                       | 20,000         | 18,603         | 6.99%             |
| Capital Outlay                                      |      | 5-400      | 0.00             | 1,604.66           |              | 23,398          | (8,681)               | 14,717         | 13,112         | 10.90%            |
| NM Gross Receipts Tax Paid                          |      | 5-450      | 1,197.58         | 5,399.59           |              | 4,200           | 1,200                 | 5,400          | 0              | 99.99%            |
| Bank Charges  |      | 5-550      | 0.00             | 5.43               |              | 10              |                       | 10             | 5              | 54.30%            |
| <b>TOTAL GENERAL FUND</b>                           |      |            | <b>37,446.65</b> | <b>105,887.27</b>  | <b>0</b>     | <b>148,224</b>  | <b>0</b>              | <b>148,224</b> | <b>42,337</b>  | <b>71.44%</b>     |

STATE OF NEW MEXICO  
 SUN VALLEY WATER AND SANITATION DISTRICT  
 4TH QUARTER DFA FINANCIAL REPORT  
 YEAR ENDED JUNE 30, 2016

|   |                   |
|---|-------------------|
| Entity Name:<br>Sun Valley Water & Sanitation Dist. | Entity Code:      |
|   | Qtr. Reporting: 4 |
|   | Page: 2           |

**Schedule of Investments:**

| Type of Investment | Fund | Investment Date | Maturity Date | Source (Bank or Fiscal Agent) | Book Value | Market Value |
|--------------------|------|-----------------|---------------|-------------------------------|------------|--------------|
| NONE               |      |                 |               |                               |            |              |
|                    |      |                 |               |                               |            |              |
|                    |      |                 |               |                               |            |              |

**Schedule of General Obligation Bonds:**

| Purpose | Date of Issue | Original Amount of Issue | Budgeted Principal Payment | Principal Paid Year To Date | Bonds Redeemed Early | Unredeemed Bonds P & I | Total Bonds Outstanding | Budgeted Interest Payment | Interest Paid To Date | Maturity Date |
|---------|---------------|--------------------------|----------------------------|-----------------------------|----------------------|------------------------|-------------------------|---------------------------|-----------------------|---------------|
| NONE    |               |                          |                            |                             |                      |                        |                         |                           |                       |               |
|         |               |                          |                            |                             |                      |                        |                         |                           |                       |               |
|         |               |                          |                            |                             |                      |                        |                         |                           |                       |               |

**Schedule of Revenue Bonds:**

| Purpose | Date of Issue | Original Amount of Issue | Budgeted Principal Payment | Principal Paid Year To Date | Bonds Redeemed Early | Unredeemed Bonds P & I | Total Bonds Outstanding | Budgeted Interest Payment | Interest Paid To Date | Maturity Date |
|---------|---------------|--------------------------|----------------------------|-----------------------------|----------------------|------------------------|-------------------------|---------------------------|-----------------------|---------------|
| NONE    |               |                          |                            |                             |                      |                        |                         |                           |                       |               |
|         |               |                          |                            |                             |                      |                        |                         |                           |                       |               |
|         |               |                          |                            |                             |                      |                        |                         |                           |                       |               |

**Schedule of Other Debt (i.e. Intercept Agreements, Board of Finance Loans, etc.):**

| Purpose and Type of Loan | Fund | Revenue Source | Total Loan Amount | Date of Issue | Budgeted Annual Payment | Principal Paid Year To Date | Interest Paid To Date | Maturity Date |
|--------------------------|------|----------------|-------------------|---------------|-------------------------|-----------------------------|-----------------------|---------------|
| NONE                     |      |                |                   |               |                         |                             |                       |               |
|                          |      |                |                   |               |                         |                             |                       |               |
|                          |      |                |                   |               |                         |                             |                       |               |

STATE OF NEW MEXICO  
 SUN VALLEY WATER AND SANITATION DISTRICT  
 4TH QUARTER DFA FINANCIAL REPORT  
 YEAR ENDED JUNE 30, 2016

**SCHEDULE OF DEDICATED REVENUE SOURCES:**

| Revenue Source | Fund Dedicated to | Purpose | Percent of Dedicated |
|----------------|-------------------|---------|----------------------|
| NONE           |                   |         |                      |
|                |                   |         |                      |
|                |                   |         |                      |
|                |                   |         |                      |

**SCHEDULE OF TRANSFERS:**

| TRANSFER FROM (FUND) (52000) | TRANSFER TO (FUND) (61000) | AMOUNT THIS QTR | AMOUNT YTD | APPROVED BUDGET | PURPOSE OF TRANSFER |
|------------------------------|----------------------------|-----------------|------------|-----------------|---------------------|
| NONE                         |                            |                 |            |                 |                     |
|                              |                            |                 |            |                 |                     |
|                              |                            |                 |            |                 |                     |
|                              |                            |                 |            |                 |                     |
| <b>GRAND TOTAL</b>           |                            | <b>0</b>        | <b>0</b>   | <b>0</b>        |                     |

**SUN VALLEY WATER AND SANITATION DISTRICT  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2016**

**FINANCIAL STATEMENT FINDINGS**

*CURRENT YEAR FINDINGS:*

NONE

*PRIOR YEAR FINDINGS:*

NONE

**SUN VALLEY WATER AND SANITATION DISTRICT  
EXIT CONFERENCE  
JUNE 30, 2016**

The contents of this report were discussed with the Sun Valley Water and Sanitation District representatives on October 10, 2016. The following individuals were present for the conference:

**Sun Valley Water and Sanitation District**

Charles Britten - Treasurer  
James Miller - Chairman

**Scott Northam, CPA, PC**

Scott Northam, CPA

The financial statements of Sun Valley Water and Sanitation District were prepared by Scott Northam, CPA, PC, from original books and records provided by and with assistance from the management of the District.

Although standards strongly emphasize the District prepare its own financial statements, the consensus between District management and the auditor was that it would be more time and cost efficient for the auditor to prepare the financial statements and the related notes. Accordingly, the District designated a competent management-level individual to oversee the auditor's services, make all management decisions and perform all management functions. The District reviewed, approved, and accepted responsibility for the accompanying financial statements and related notes, supplemental schedules, and for ensuring that the underlying accounting records adequately support the preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America and that the records are current and in balance.