

**SUN VALLEY WATER AND  
SANITATION DISTRICT**

**INDEPENDENT ACCOUNTANT'S REPORT  
ON THE APPLICATION OF TIER 5  
AGREED-UPON PROCEDURES  
YEAR ENDED JUNE 30, 2017**



**SUN VALLEY WATER AND SANITATION DISTRICT**  
**TABLE OF CONTENTS**  
**JUNE 30, 2017**

	<b>Page 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 Tier 5 Agreed-Upon Procedures .....	1
Scope of Procedures and Results .....	2
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP) .....	6
Copy of Year End Financial Report Submitted to DFA.....	7
Schedule of Capital Outlay Appropriations.....	12
Schedule of Findings and Responses .....	13
Schedule of Status of Prior Year Findings.....	13
Other Disclosures.....	14

**SUN VALLEY WATER AND SANITATION DISTRICT  
OFFICIAL ROSTER  
JUNE 30, 2017**

**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 5 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, 2017. The District was determined to be a Tier 5 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.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct, an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the District's financial position and operations as of and for the year ended June 30, 2017. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to those parties specified in the report.

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  
July 31, 2017

**SUN VALLEY WATER AND SANITATION DISTRICT  
SCOPE OF PROCEDURES AND RESULTS  
JUNE 30, 2017**

<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 5 Requirements – Cash basis revenues of \$50,000 or more but less than \$250,000 with capital outlay award expenditures.	The District's cash basis revenues totaled approximately \$112,643 and expended \$25,000 of capital outlay awards. The District is correctly categorized as a Tier 5 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 a reasonable time 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 financial reports submitted to DFA.
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> <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. 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, 2017**

<b>4. Revenue (Cont.)</b> <b>Identify the nature and amount of revenue from sources by reviewing the budget, agreements, rate schedules, and underlying documentation.</b>	
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.	A representative sample of 12 transactions noted the amounts were properly recorded on modified-cash basis as to classification, amount and period per review of supporting documentation.

<b>5. Expenditures</b> <b>Select a sample of cash disbursements based on auditor judgement using the following attributes:</b>	
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.	A representative sample of 25 disbursement transactions noted no exceptions with respect to amount, payee, date and description.
b. Determine that disbursements were properly authorized and approved in compliance with the budget, legal requirements and established policies and procedures.	A representative sample of 25 disbursements noted no exceptions as to authorization and approval for payment, budget compliance and compliance with 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 13-1-199 NMSA 1978) and State Purchasing Regulations (1.4.1 NMAC) and Regulations Governing the Per Diem and Mileage Act (2.42.2 NMAC).	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).

<b>6. Journal Entries</b> <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>	
a. Journal entries appear reasonable and have supporting documentation.	There were no non-routine journal entries posted to the general ledger and all reviewed journal entries had 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.	The District has policies in place that require any journal entries made by the contract bookkeeper to be reviewed and approved by the Treasurer.



**SUN VALLEY WATER AND SANITATION DISTRICT  
SCOPE OF PROCEDURES AND RESULTS  
JUNE 30, 2017**

<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 Support, Revenue and Expenses – Budget and Actual on the modified-cash basis follows these procedures as noted in the table of contents.

<b>8. Capital Outlay Appropriations</b> <b>Request and review all state-funded capital outlay awards, joint powers agreements, correspondence and other relevant documentation for any capital outlay award funds expended by the recipient during the fiscal year. Test all capital outlay expenditures during the fiscal year to:</b>	
a. Determine that the amount recorded as disbursed agrees to the adequate supporting documentation. Verify that amount, payee, date and description to agree to the purchase order, contract, vendor's invoice and canceled check, as appropriate.	The disbursement of the capital outlay was handled as a reimbursement grant. The District provided adequate documentation to the NM Environment Department regarding vendor invoices, and canceled checks and other supporting material required by NMED.
b. Determine that the cash disbursements were properly authorized and approved in accordance with the budget, legal requirements and established policies and procedures.	The disbursements were properly authorized by the District and approved by NMED for reimbursement.
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 131-28 through 13-1-199 NMSA 1978 and 1.4.1 NMAC).	The District followed the New Mexico Procurement Code and State Purchasing Regulations regarding the selection, contracting and payment of the contractors for the capital outlay expenditures.

**SUN VALLEY WATER AND SANITATION DISTRICT  
SCOPE OF PROCEDURES AND RESULTS  
JUNE 30, 2017**

<b>8. Capital Outlay Appropriations (Cont.)</b>	
Request and review all state-funded capital outlay awards, joint powers agreements, correspondence and other relevant documentation for any capital outlay award funds expended by the recipient during the fiscal year. Test all capital outlay expenditures during the fiscal year to:	
d. Determine the physical existence (by observation) of the capital asset based on expenditures to date.	Because of the nature of the capital assets (radio read water meters and installation), observation of the capital assets would be impractical to physically inspect due to the proximity of the meters throughout the service area and on private property.
e. Verify that status reports were submitted to the state agency per terms of the agreement and amounts in the status report agree with the general ledger and supporting documentation.	All status reports were properly completed and submitted.
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	The project was a reimbursement grant, and the District was fully reimbursed at the end of the project.
g. If the project is complete, determine if there is an unexpected balance and whether it was reverted per statute and agreement with the grantor.	Project was completed and had no remaining balance as of the fiscal year end.
h. Determine whether cash received for the award was accounted for in a separate fund or a separate bank account that is non-interest bearing if so required by the capital outlay award agreement.	The project was a reimbursement grant. A separate fund or bank account for the project funds was not required by the award agreement or necessary.
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 of the reimbursement	One reimbursement request was initiated by the District during the fiscal year. The request was properly supported with underlying invoices paid before the reimbursement was requested.
<b>9. 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(1)(3)(C) NMAC.	No other or additional exceptions were noted when 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, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>				
Charges for Services	\$ 83,500	\$ 101,500	\$ 104,506	\$ 3,006
Tap, Transfer and Late Fees	1,800	6,750	6,750	-
Property Tax	60,469	60,469	65,081	4,612
Interest Income	550	1,003	1,267	264
Gross Receipts Tax Collected	5,500	5,500	5,723	223
Capital Grant	25,000	25,000	25,000	-
Other	850	447	447	-
<b>Total Revenues</b>	<u>177,669</u>	<u>200,669</u>	<u>208,774</u>	<u>8,105</u>
<b>EXPENDITURES</b>				
Contract Services	63,950	63,950	63,836	114
Water Conservation Fee	200	200	148	52
Insurance	4,100	4,100	3,448	652
Dues	300	358	357	1
Mill Levy Tax Fee	-	-	651	(651)
Legal and Accounting	9,335	9,338	4,844	4,494
Water Treatment	550	643	643	-
Office Expense	7,010	7,254	7,249	5
Education and Training	2,000	2,000	403	1,597
Repairs and Maintenance	14,000	13,309	8,015	5,294
Supplies	5,000	5,000	2,887	2,113
Utilities	2,000	2,000	2,243	(243)
SCADA and Radio Read Meters	250	379	378	1
Gross Receipts Tax Remitted	5,500	5,664	5,664	-
Capital Outlay	63,474	86,474	85,511	963
<b>Total Expenses</b>	<u>177,669</u>	<u>200,669</u>	<u>186,277</u>	<u>14,392</u>
<b>Change in Net Position</b>	<u>-</u>	<u>-</u>	<u>22,497</u>	<u>\$ 22,497</u>
<b>Cash - Beginning of Year</b>	<u>192,487</u>	<u>192,487</u>		
<b>Cash - End of Year</b>	<u>\$ 192,487</u>	<u>\$ 192,487</u>		
<b>Reconciliation to GAAP Basis</b>				
Depreciation			(44,689)	
Capital Outlay			85,511	
Change in:				
Accounts Receivable			939	
Accounts Payable			(419)	
<b>Change in Net Position - GAAP Basis</b>			<u>\$ 63,839</u>	

See independent accountant's compilation report



STATE OF NEW MEXICO  
SUN VALLEY WATER AND SANITATION DISTRICT  
4TH QUARTER DFA FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2017

FUND	CURRENT QUARTER	TO DATE	APPROVED BUDGET	% OF BUDGET
<b>REVENUES:</b>				
Water Revenue	25,461.10	106,441.57	101,500.00	104.87%
Tap Fees	-	5,000.00	5,000.00	100.00%
Transfer Fee	-	1,000.00	1,000.00	100.00%
Late Fees	190.00	750.00	800.00	93.75%
Misc Fees	-	8.22	350.00	2.35%
Total County Tax Proceeds	16,297.98	64,429.66	60,469.00	106.55%
Interest Income	337.60	1,266.50	550.00	230.27%
Solar Income	-	312.00	350.00	89.14%
Intergovernmental Grant	-	25,000.00	25,000.00	100.00%
Other Income	18.00	127.30	150.00	84.87%
NM Gross Receipts Tax Collected	1,337.40	5,722.62	5,500.00	104.05%
<b>TOTAL REVENUE</b>	<b>43,642.08</b>	<b>210,057.87</b>	<b>200,669.00</b>	<b>104.68%</b>
<b>TRANSFERS: IN/(OUT)</b>				
			-	#DIV/0!
				#DIV/0!
				#DIV/0!
				#DIV/0!
<b>NET TRANSFERS</b>	-	-	-	#DIV/0!
<b>EXPENDITURES:</b>				
Contract Labor	15,983.28	63,836.12	63,950.00	99.82%
Water Conservation Fee	-	148.29	200.00	74.15%
Insurance & Bonds	2,968.00	2,968.00	4,100.00	72.39%
Membership Dues	42.89	357.46	300.00	119.15%
Legal	-	507.07	5,000.00	10.14%
Accounting	-	4,337.50	4,335.00	100.06%
Water Treatment Expense	-	642.96	550.00	116.90%
Office Expenses	2,553.28	7,243.75	7,000.00	103.48%
Education & Training	403.20	403.20	2,000.00	20.16%
Repairs & Maintenance	2,560.00	8,433.68	14,000.00	60.24%
Supplies & Pipe	-	2,886.69	5,000.00	57.73%
Utilities	375.00	1,771.00	2,000.00	88.55%
Scada System	-	378.12	250.00	151.25%
Radio Read Meter Project	-	29,804.18	30,000.00	99.35%
Capital Outlay	40,514.28	55,706.28	56,474.00	98.64%
NM Gross Receipts Tax Paid	1,615.96	5,663.67	5,500.00	102.98%
Bank Charges	5.42	5.42	10.00	54.20%
<b>TOTAL EXPENDITURES</b>	<b>67,021.31</b>	<b>185,093.39</b>	<b>200,669.00</b>	<b>92.24%</b>

**STATE OF NEW MEXICO**  
**SUN VALLEY WATER AND SANITATION DISTRICT**  
**4TH QUARTER DFA FINANCIAL REPORT**  
**YEAR ENDED JUNE 30, 2017**

Entity Name: Sun Valley Water & Sanitation Dist.										Entity Code: 0
										Qtr. Reporting: 4
										Page: 3
DISTRICT RECEIPTS	Fund	Line Item	Qtr. Reporting	Year to Date Total		Approved Budget	Resolutions Adj. Budget	Adjusted Budget	Budget Balance	Budget % Received
<b>GENERAL FUND</b>										
Water Revenue		4-100	25,461.10	106,441.57		101,500	0	101,500	(4,942)	104.87%
Tap Fees		4-101	0.00	5,000.00		5,000	0	5,000	0	100.00%
Transfer Fee		4-125	0.00	1,000.00		1,000	0	1,000	0	100.00%
Late Fees		4-150	190.00	750.00		800	(50)	750	0	100.00%
Misc Fees		4-175	0.00	8.22		350	(342)	8	(0)	102.75%
Total County Tax Proceeds		4-200	16,297.98	64,429.66		60,469	0	60,469	(3,961)	106.55%
Interest Income		4-300	337.60	1,266.50		550	453	1,003	(264)	126.27%
Solar Income		4-375	0.00	312.00		350	(38)	312	0	100.00%
Intergovernmental Grant		4-350	0.00	25,000.00		25,000	0	25,000	0	100.00%
Other Income		4-400	18.00	127.30		150	(23)	127	(0)	100.24%
NM Gross Receipts Tax Collected		4-450	1,337.40	5,722.62		5,500	0	5,500	(223)	104.05%
<b>TOTAL GENERAL FUND</b>			<b>43,642.08</b>	<b>210,057.87</b>		<b>200,669</b>	<b>0</b>	<b>200,669</b>	<b>(9,389)</b>	<b>104.68%</b>

Entity Name: Sun Valley Water & Sanitation Dist.										Entity Code: 0
										Qtr. Reporting: 4
										Page: 6

DISTRICT DISBURSEMENTS	Fund	Dept. Code	Qtr. Reporting	Year to Date Total	Encumbrances	Approved Budget	Resolutions Adj. Budget	Adjusted Budget	Budget Balance	Budget % Expended
<b>GENERAL FUND</b>										
Contract Labor		5-125	15,983.28	63,836.12		63,950	0	63,950	114	99.82%
Water Conservation Fee		5-175	0.00	148.29		200	0	200	52	74.15%
Insurance & Bonds		5-200	2,968.00	2,968.00		4,100	0	4,100	1,132	72.39%
Membership Dues		5-230	42.89	357.46		300	58	358	1	99.85%
Legal		5-250	0.00	507.07		5,000	0	5,000	4,493	10.14%
Accounting		5-260	0.00	4,337.50		4,335	3	4,338	1	99.99%
Water Treatment Expense		5-262	0.00	642.96		550	93	643	0	99.99%
Office Expenses		5-275	2,553.28	7,243.75		7,000	244	7,244	0	100.00%
Education & Training		5-285	403.20	403.20		2,000	0	2,000	1,597	20.16%
Repairs & Maintenance		5-300	2,560.00	8,433.68		14,000	(691)	13,309	4,875	63.37%
Supplies & Pipe		5-325	0.00	2,886.69		5,000	0	5,000	2,113	57.73%
Utilities		5-350	375.00	1,771.00		2,000	0	2,000	229	88.55%
Scada System		5-375	0.00	378.12		250	129	379	1	99.77%
Radio Read Meter Project		5-390	0.00	29,804.18		30,000	0	30,000	196	99.35%
Capital Outlay		5-400	40,514.28	55,706.28		56,474	0	56,474	768	98.64%
NM Gross Receipts Tax Paid		5-450	1,615.96	5,663.67		5,500	164	5,664	0	99.99%
Bank Charges		5-550	5.42	5.42		10	0	10	5	54.20%
<b>TOTAL GENERAL FUND</b>			<b>67,021.31</b>	<b>185,093.38</b>	<b>0</b>	<b>200,669</b>	<b>0</b>	<b>200,669</b>	<b>15,576</b>	<b>92.24%</b>

**STATE OF NEW MEXICO  
SUN VALLEY WATER AND SANITATION DISTRICT  
4TH QUARTER DFA FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2017**

Entity Name: 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, 2017**

**SCHEDULE OF DEDICATED REVENUE SOURCES**

Revenue Source	Fund Dedicated To	Purpose	Percent (%) Dedicated
NONE			

**SCHEDULE OF TRANSFERS:**

TRANSFER FROM (FUND): (52000)	TRANSFER TO (FUND): (51000)	AMOUNT THIS QTR.	AMOUNT YTD	APPROVED BUDGET	PURPOSE OF TRANSFER
NONE					
<b>GRAND TOTAL</b>		<b>0</b>	<b>0</b>	<b>0</b>	



STATE OF NEW MEXICO  
 SUN VALLEY WATER AND SANITATION DISTRICT  
 SCHEDULE OF CAPITAL OUTLAY EXPENDITURES  
 YEAR ENDED JUNE 30, 2017

Grant Source	Program or Grant Number	Execution Date	Reversion Date	Grant/ Loan Amount	Prior Years Expenditures	Current Year Expenditures	Remaining Grant/Loan Expenditures
New Mexico Environment Department Grant Amount	16-A2270-STB	8/19/2016	6/30/2018	\$ 25,000	\$ -	\$ 25,000	\$ -
				<u>\$ 25,000</u>	<u>\$ -</u>	<u>\$ 25,000</u>	<u>\$ -</u>

**SUN VALLEY WATER AND SANITATION DISTRICT  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2017**

**FINANCIAL STATEMENT FINDINGS**

*CURRENT YEAR FINDINGS:*

NONE

*PRIOR YEAR FINDINGS:*

NONE

**SUN VALLEY WATER AND SANITATION DISTRICT  
EXIT CONFERENCE  
JUNE 30, 2017**

The contents of this report were discussed with the Sun Valley Water and Sanitation District representatives on July 31, 2017. 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.