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To the Board of Directors
Bighorn-Desert View Water Agency

Summary of Audit Results

We have audited the financial statements of the Bighorn-Desert View Water Agency (Agency) for the year ended June 30, 2009. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards. We have communicated such information in our letter to you September 29, 2009. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibilities under U.S. Generally Accepted Auditing Standards

Our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting.

Audit Focus and Scope of the Audit

The purpose of an audit performed in accordance with auditing standards is to evaluate the risk that the financial statements contain significant error or misstatement. Risks of significant error or misstatement addressed by the audit process include the following:

- Risk of material misstatement associated with cash receipts and cash disbursements
- Risk of material misstatement associated with significant assets and liabilities
- Risk of improper revenue recognition
- Risk of improper classification or accrual of expenditures
- Risk of error associated with identifying capital asset additions and deletions

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Agency are described in Note 1 to the financial statements.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Examples of estimates inherently involved in the accounting process are:

- Judgments concerning which capital projects represent ordinary maintenance activities necessary to keep an asset operational for its originally intended useful life versus significant improvement, replacement, and life extending projects that should be capitalized as additions to capital assets.
- Management's estimate of unbilled accounts receivable which is based on prior year actual amounts. We evaluated the key factors and assumptions used to develop this estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Significant Difficulties Encountered in Performing the Audit

We encountered no difficulties in performing the audit.

Audit Adjustments

Professional standards require us to accumulate all known and likely adjustments identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Such adjustments included adjustments to inventory and to contributed capital equity accounts.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have obtained certain representations from management that are included in a management representation letter September 29, 2009.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of Board of Directors and management of Bighorn Desert-View Water Agency and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

MAYER HOFFMAN McCANN P.C.

Mayer Hoffman McCann P.C.

Irvine, California
September 29, 2009