

STATE OF NEW MEXICO

**ALCALDE MUTUAL DOMESTIC WATER USERS
ASSOCIATION**

**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED UPON PROCEDURES REPORT**

YEAR ENDED December 31, 2014

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STATE OF NEW MEXICO

ALCALDE MUTUAL DOMESTIC WATER USERS ASSOCIATION

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STATE OF NEW MEXICO

ALCALDE MUTUAL DOMESTIC WATER USERS ASSOCIATION

Official Roster

December 31, 2014

Name

Title

Board of Directors

Alfredo Montoya

President

David Archuleta

Secretary

David Honaberger

Treasurer

Rosiland Martinez

Member

Matthew Valdez

Member

Staff

Matthew Valdez

Water System
Operator

JOSEPH M. SALAZAR
CERTIFIED PUBLIC ACCOUNTANT

P.O. BOX 1744
Española, New Mexico 87532
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INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED UPON PROCEDURES

Alfredo Montoya, President
Alcalde Mutual Domestic Water Users Association
and
Honorable Tim Keller
New Mexico State Auditor

We have performed the procedures enumerated below for the Alcalde Mutual Domestic Water Users Association (Association) for the year ended December 31, 2014. The Association was determined to be a Tier 5 entity under the Audit Act Section 12-6-3 (B) NMSA 1978 and Section 2.2.2.16 NMAC. The procedures were agreed to by the Association through the Office of the New Mexico State Auditor. The Alcalde Mutual Domestic Water Users Association 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 representations regarding the sufficiency of the procedures described below either for the purposes for which this report has been requested or for any other purpose. Our procedures and findings are as follows:

1. 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 reporting submitted to DFA-Local Government Division.
- c) Determine whether the local public body's financial institution have provided it with 50% of pledged collateral on all uninsured deposits as required by Section 6-10-17 NMSA 1978, NM Public Money Act, if applicable.

Findings

- a) The Association has a checking accounts and a savings account. Bank statements were available for the checking account and savings account. The checking account and savings account were reconciled on a monthly basis. All bank statements and reconciliations were complete and on-hand for the entire year.
- b) We tested the bank reconciliations for the months of December and March of 2014 and traced to the general ledger and the financial reports submitted to DFA Local Government Division. No exceptions were noted.
- c) The two bank accounts had FDIC coverage of \$250,000. The bank accounts never exceeded uninsured limits and, therefore, pledged collateral was not required on any of the bank accounts at any time during the year.

2. Capital Assets

Procedures

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

Findings

The Association performed a yearly inventory as required by State Statute. No exceptions noted.

3. Revenues

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 statements.
- c) Proper recording of classification, amounts, 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.

Findings:

- a) We were provided financial statements (balance sheet and income statement for the year ended December 31, 2014). The income statement had four revenue accounts which were water revenue, interest income, installation and hook-up fees, and grants-project 2014. We performed analytical review, tested actual revenue compared to budgeted revenue for the year for each type of revenue account. No exceptions were noted.
- b) Amounts recorded in the general ledger agreed to supporting documentation (deposit slips and bank statements). No exceptions noted.
- c) Amounts were recorded on a cash basis to the four revenue accounts on a monthly basis. We tested \$221,395 of total revenue of \$301,788 of deposit slip amounts and amounts per deposit slips on the bank statements to the amounts posted to the general ledger which was approximately 73% of the total revenues. No exceptions noted.

4. 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 canceled 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 order, 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).

Findings

- a) Based on auditor judgment, we tested 30 transactions which included all of the expenditures of the capital outlay expenditures for the fiscal year revealed that amounts recorded as disbursed agreed to the supporting documentation. The documentation agrees as to amount, payee, date and description agree to the vendor's invoice. No exceptions noted. Association did not use purchase orders or contracts. Unable to determine compliance with the procurement code. (See finding 2010-2)
- b) Association disbursements were authorized disbursements for the operations of the association and approved in compliance with budget, legal requirements and established policies and procedures. No exceptions noted.
- c) Association did not maintain documentation to demonstrate compliance with the bid process (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 purchase regulations for its normal operations but complied with the bid process for its capital outlay expenditures.(See finding 2010-2)

5. Journal Entries

Procedures

If non-routine journal entries, such as adjustment or reclassification, are posted to the general ledger, test significant items for the following attribute:

- 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.

Findings

The Association's fee accountant on a monthly basis prepares routine journal entries to record interest income earned for the month, reclassifying gross receipt tax from water revenue and to record returned checks.

Reviewed the monthly listing of journal entries for reasonableness and supporting documentation for the entire 2014 fiscal year. No exceptions were noted. The Association does not have procedures that require the review of journal entries. (See finding 2010-4)

6. 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 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, actual or modified accrual basis) for each individual fund.

Findings

- a) A review of the Association's minutes and correspondence revealed that the Association prepared and submitted an approved budget by the Board for approval to DFA-LGD for the year ended December 31, 2014. Reviewed correspondences where DFA-LGD approved the budget for the year ended December 31, 2014. No exceptions noted.
- b) We determine that total actual expenditures did not exceed the final budget at the legal level of budgetary control.
- c) A schedule of revenues and expenses was prepared from the Association's records on a cash budgetary basis. This schedule is included herein as Exhibit A. The Association did submit quarterly reports for the year ended December 31, 2014 to DFA-LGD. No exceptions noted.

7. Capital Outlay Appropriations

Procedures

Request and review all state-funded capital outlay awards, joint power agreements, correspondence and other relevant documentation for any capital outlay award funds expended by recipient during the fiscal year.

Test all capital outlay expenditures during the fiscal year to:

- a) Determine that the amount recorded as disbursed agrees to adequate supporting documentation. Verify that amount, payee, date and description agree to the purchase order, contract, vendor invoice and cancelled check, as appropriate.
- b) Determine that the cash disbursements were properly authorized and approved in accordance with the budget, legal requirements and established policies and procedures.
- c) Determine that the bid process (or request for proposals process if applicable), purchase orders, contracts and agreements were processed in accordance with the New Mexico Procurement Code and State Purchasing Regulations (Section 13-1-28 through 13-1-199 NMSA 1978 and 1.4.4 NMAC).
- d) Determine the physical existence (by observation) of the capital asset based on expenditures to date.
- e) Verify that status reports were submitted to the state agency per terms of agreement and amounts in status report agree with the general ledger and other supporting documentation.
- f) If the project was funded in advance, determine if the award balance (and cash balance) appropriately reflects the percentage of completion based on the project schedule and expenditures to date.
- g) If the project is complete, determine if there is an unexpended balance and whether it was reverted per state statute and agreement with the grantor.
- h) Determine whether cash received for the award was accounted for in a separate fund or separate bank account that is non-interest bearing if so required by the capital outlay award agreement.
- i) Determine whether reimbursements requests were properly supported by costs incurred by the recipient. Determine whether the costs were paid by the local public body prior to the request for reimbursement.

Findings

- a) We determined that amounts recorded as disbursed agreed to adequate supporting documentation and we verified that amounts, payees, dates and descriptions agreed to the vendors invoice. No exceptions noted.
- b) We determined that disbursement were properly authorized and approved in accordance with, legal requirements and established policies and procedures.
- c) We determined that the Association maintained documentation to demonstrate compliance with the bid process (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 purchase regulations.
- d) We physical observation the area with the assistance of the Association's President as to where work was performed installing water transmission and distribution lines as of December 31, 2014.
- e) According to the Association's management no status reports were submitted to the New Mexico Environment Department. Also, no status reports were noted during our review of the grant file supporting documentation.
- f) The projects were not intended to be funded in advance but on a cost reimbursement basis.
- g) The project for the appropriation amount of \$180,648 is complete and determined that there is no unexpended balance as of December 31, 2014. The project is complete as of December 31, 2014. The project was on a cost reimbursement basis therefore no monies need to revert. The Association only drew down \$8,268 from the grant portion from the Water Trust Board/ New Mexico Finance Authority grant. The grant/loan ended in November 2014.
- h) Since the projects were approved on a cost reimbursement basis, no separate fund or bank account were required.
- i) We determine that reimbursements requests were properly supported by costs incurred by the Association. We determine that the costs were incurred by the Association prior to the request for reimbursement.

Other

Procedures

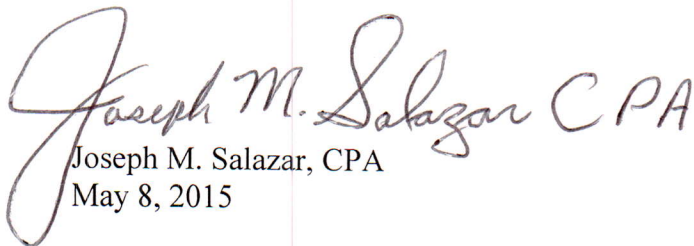
If information comes to the IPA's attention (regardless of materiality) indicating any fraud, illegal acts, noncompliance, or any internal control deficiencies, such instances must be disclosed in the report as required by Section 12-6-6 NMSA 1978. The finding must include the required contents per Section 2.2.2.1-(1) (3) (C) NMAC.

Findings

No exceptions or information were noted as a result of applying the procedures described above (regardless of materiality) indicating fraud or illegal acts. However, see the Schedule of Findings and Responses related to procurement code compliance, and segregation of duties.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on the accounting records. 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 Alcalde Mutual Domestic Water Users Association, the New Mexico State Auditor's Office, DFA-Local Government Division and New Mexico State Legislature and is not intended to be and should not be used by anyone other than those specified parties.


Joseph M. Salazar, CPA
May 8, 2015

**STATE OF NEW MEXICO
ALCALDE MUTUAL DOMESTIC WATER USERS ASSOCIATION
AGREED UPON PROCEDURES
SCHEDULE OF CAPITAL OUTLAY AWARD
DECEMBER 31, 2014**

Capital Appropriations Project No.	Award Amount	Amount Requested/ Recieved in Prior Fiscal Years	Amount Requested/ Recieved in Current Fiscal Years	Total Amount Expended
12-1622 STB	\$180,648	\$14,675	\$ 165,973	\$180,648
Water Trust Board/ NMFA	\$203,440	-	\$8,267	\$8,267
Total	<u>\$384,088</u>	<u>\$14,675</u>	<u>\$174,240</u>	<u>\$188,915</u>

Note:

1. The Alcalde Water Association through the New Mexico Department of Environment was appropriated \$180,648 in the Laws of 2012, Chapter 63, Section 69, paragraph 28 to plan, design and construct a community water system, including water transmission and distribution lines in Alcalde in Rio Arriba County. The award was on a cost reimbursement basis from the New Mexico Department of Environment Department all funds were expended as of June 30, 2014.
2. The Association entered into a loan/grant agreement with the Water Trust Board and the New Mexico Finance Authority on November 18, 2011 for total funding of \$254,300. \$203,440 as a grant and \$50,860 as a loan with no interest payable over twenty years to expand it's service area to Rio Arriba County Road 39 in the north and Arroyo de Chinquague in San Juan Pueblo in the south. The loan/grant agreement Section 7.5 required that the funds be disbursed and completed in three years from the date of agreement. The Association expended only \$8,267 of the grant.

STATE OF NEW MEXICO Exhibit A
ALCALDE MUTUAL DOMESTIC WATER USERS ASSOCIATION
SCHEDULE REVENUE AND EXPENSES- BUDGET AND ACTUAL (CASH BASIS)
FOR YEAR ENDED DECEMBER 31,2014

	Budget Amounts		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
REVENUES				
Water revenue	\$ 116,000	\$ 116,000	\$ 94,277	(21,723)
Interest income	200	200	165	(35)
Installation and hook-up fee	-	-	33,106	33,106
Grants-projects 2014	-	-	165,973	165,972
NMFA grant	-	-	8,267	8,268
Total revenues	<u>\$ 116,200</u>	<u>\$ 116,200</u>	<u>\$ 301,788</u>	<u>\$ 185,588</u>
Expenses				
Wages	\$ 16,800	\$ 16,800	\$ 16,800	\$ -
Contract labor	1,000	1,000	-	1,000
Payroll taxes	1,332	1,332	1,361	(29)
Water conservation fee	500	500	439	61
Accounting	18,840	18,840	18,364	476
Bad debt	1,000	1,000	-	1,000
Dues	240	240	642	(402)
Interest expense	900	900	705	195
Insurance	4,100	4,100	3,532	568
Miscellaneous expenses	600	600	238	362
Office expense	570	570	545	25
Postage	1,580	1,580	1,613	(33)
Repairs-well	2,000	2,000	4,207	(2,207)
Parts and materials	4,000	4,000	-	4,000
Testing	500	500	-	500
Tools	500	500	-	500
Supplies	14,700	14,700	14,442	258
Audit	4,000	4,000	11,184	(7,184)
Travel	-	-	96	(96)
Electrical service	22,000	22,000	20,245	1,755
Total expenses	<u>\$ 95,162</u>	<u>\$ 95,162</u>	<u>94,413</u>	<u>749</u>
Revenue over (under) expenses	<u>\$ 21,038</u>	<u>\$ 21,038</u>	<u>\$ 207,375</u>	<u>\$ 186,337</u>

ALCALDE WATER ASSOCIATION
Balance Sheet
December 31, 2014

ASSETS

Current Assets

VALLEY NATIONAL BANK-CHECKING	\$	65,168.49
VALLEY NATIONAL BANK-SAVINGS		33,126.83
VALLEY NATIONAL BANK-CD		21,318.23
ACCOUNTS RECEIVABLE		29,149.17
CHANGE FUND		100.00
RECEIVABLE-GRANT		<u>1,075.85</u>

Total Current Assets

\$ 149,938.57

Fixed Assets

UTILITY LINES, EQUIPMENT	6,053,099.00
LINE EXTENSION	15,063.86
PROJECT 2014	239,775.66
ACCUMULATED DEPRECIATION	<u>(184,987.00)</u>

Total Fixed Assets

6,122,951.52

Total Assets

\$ 6,272,890.09

ALCALDE WATER ASSOCIATION
Balance Sheet
December 31, 2014

LIABILITIES AND EQUITY

Current Liabilities

FICA TAXES PAYABLE	\$	642.60
DEPT OF LABOR		4.20
FUTA TAXES PAYABLE		42.00
NOTE PAY-STATE OF NEW MEXICO		14,980.83
N/P - FINANCE AUTHORITY		45,875.00
SALES TAX PAYABLE		<u>426.70</u>

Total Current Liabilities

\$ 61,971.33

Equity

RETAINED EARNINGS	5,999,684.44
MEMBERSHIP	3,675.00
Current Income (Loss)	<u>207,559.32</u>

Total Equity

6,210,918.76

Total Liabilities & Equity

\$ 6,272,890.09

ALCALDE WATER ASSOCIATION
Income Statement
For the Period Ended December 31, 2014

	1 Month Ended Dec. 31, 2014	Pct	12 Months Ended Dec. 31, 2014	Pct
Revenue				
WATER REVENUE	\$ 8,464.07	50.56	\$ 94,277.14	31.24
INTEREST INCOME	7.82	0.05	164.89	0.05
INSTALLATIONS & HOOK-UP FEES	0.00	0.00	33,106.12	10.97
GRANTS - PROJECT 2014	<u>8,267.71</u>	<u>49.39</u>	<u>174,239.84</u>	<u>57.74</u>
Total Revenue	16,739.60	100.00	301,787.99	100.00
Operating Expenses				
WAGES	1,400.00	8.36	16,800.00	5.57
PAYROLL TAXES	108.50	0.65	1,361.20	0.45
WATER CONSERVATION FEES	0.00	0.00	438.46	0.15
ACCOUNTING	1,574.16	9.40	18,363.78	6.08
AUDIT	0.00	0.00	11,184.00	3.71
BAD DEBTS	(660.22)	(3.94)	(184.22)	(0.06)
DUES	0.00	0.00	642.02	0.21
INTEREST EXPENSE	0.00	0.00	705.36	0.23
INSURANCE	0.00	0.00	3,532.00	1.17
MISCELLANEOUS EXPENSE	0.00	0.00	237.93	0.08
OFFICE EXPENSE	68.62	0.41	544.76	0.18
POSTAGE	117.60	0.70	1,613.08	0.53
REPAIRS-WELL	0.00	0.00	4,207.30	1.39
SUPPLIES	1,155.37	6.90	14,442.10	4.79
TRAVEL	0.00	0.00	96.00	0.03
ELECTRICAL SERVICE	<u>1,406.87</u>	<u>8.40</u>	<u>20,244.90</u>	<u>6.71</u>
Total Operating Expenses	<u>5,170.90</u>	<u>30.89</u>	<u>94,228.67</u>	<u>31.22</u>
Net Income (Loss)	<u>\$ 11,568.70</u>	<u>69.11</u>	<u>\$ 207,559.32</u>	<u>68.78</u>

ALCALDE WATER ASSOCIATION
Income Statement
For the Period Ended December 31, 2014

	1 Month Ended				12 Months Ended			
	Dec. 31, 2014	Budget	Variance	Pct	Dec. 31, 2014	Budget	Variance	Pct
Revenue								
WATER REVENUE	\$ 8,464.07	\$ 9,666.66	\$ (1,202.59)	(12)	\$ 94,277.14	\$ 116,000.00	\$ (21,722.86)	(19)
INTEREST INCOME	7.82	16.66	(8.84)	(53)	164.89	200.00	(35.11)	(18)
INSTALLATIONS &	0.00	0.00	0.00	0	33,106.12	0.00	33,106.12	0
GRANTS - PROJECT	8,267.71	0.00	8,267.71	0	174,239.84	0.00	174,239.84	0
Total Revenue	<u>16,739.60</u>	<u>9,683.32</u>	<u>7,056.28</u>	<u>73</u>	<u>301,787.99</u>	<u>116,200.00</u>	<u>185,587.99</u>	<u>160</u>
Operating Expenses								
WAGES	1,400.00	1,400.00	0.00	0	16,800.00	16,800.00	0.00	0
CONTRACT LABOR	0.00	83.33	(83.33)	(100)	0.00	1,000.00	(1,000.00)	(100)
PAYROLL TAXES	108.50	111.00	(2.50)	(2)	1,361.20	1,332.00	29.20	2
WATER CONSERVAT	0.00	41.66	(41.66)	(100)	438.46	500.00	(61.54)	(12)
ACCOUNTING	1,574.16	1,570.00	4.16	0	18,363.78	18,840.00	(476.22)	(3)
AUDIT	0.00	333.33	(333.33)	(100)	11,184.00	4,000.00	7,184.00	180
BAD DEBTS	(660.22)	83.33	(743.55)	(892)	642.02	1,000.00	(1,184.22)	(118)
DUES	0.00	20.00	(20.00)	(100)	705.36	240.00	402.02	168
INTEREST EXPENSE	0.00	75.00	(75.00)	(100)	3,532.00	900.00	(194.64)	(22)
INSURANCE	0.00	341.66	(341.66)	(100)	237.93	4,100.00	(568.00)	(14)
MISCELLANEOUS E	0.00	50.00	(50.00)	(100)	544.76	600.00	(362.07)	(60)
OFFICE EXPENSE	68.62	47.50	21.12	44	1,613.08	570.00	(25.24)	(4)
POSTAGE	117.60	0.00	117.60	0	4,207.30	1,448.07	165.01	11
REPAIRS-WELL	0.00	166.66	(166.66)	(100)	0.00	2,000.00	2,207.30	110
PARTS & MATERIAL	0.00	333.33	(333.33)	(100)	0.00	4,000.00	(4,000.00)	(100)
TESTING	0.00	41.66	(41.66)	(100)	0.00	500.00	(500.00)	(100)
TOOLS	0.00	41.66	(41.66)	(100)	0.00	500.00	(500.00)	(100)
SUPPLIES	1,155.37	1,225.00	(69.63)	(6)	14,442.10	14,700.00	(257.90)	(2)
TRAVEL	0.00	0.00	0.00	0	96.00	0.00	96.00	0
ELECTRICAL SERVI	1,406.87	1,833.33	(426.46)	(23)	20,244.90	22,000.00	(1,755.10)	(8)
Total Operating	<u>5,170.90</u>	<u>7,798.45</u>	<u>(2,627.55)</u>	<u>(34)</u>	<u>94,228.67</u>	<u>95,030.07</u>	<u>(801.40)</u>	<u>(1)</u>
Net Income (<u>\$ 11,568.70</u>	<u>\$ 1,884.87</u>	<u>\$ 9,683.83</u>	<u>514</u>	<u>\$ 207,559.32</u>	<u>\$ 21,169.93</u>	<u>\$ 186,389.39</u>	<u>880</u>

**STATE OF NEW MEXICO
ALCALDE MUTUAL DOMESTIC WATER USERS ASSOCIATION
Schedule of Findings and Reponses
YEAR ENDED DECEMBER 31, 2014**

2010-2 Procurement Code Compliance

Criteria

All local public bodies in the State of New Mexico are required to comply with the New Mexico Procurement Code.

Condition

Association did not maintain documentation to demonstrate compliance with the bid process (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.

Cause

The Association was not aware of the requirements of complying with the procurement code.

Effect

The Association did not comply with the procurement code.

Recommendation

We recommend that the Association comply with the New Mexico procurement code.

Entity Response

We started following procurement regulations in fiscal year 2014 by advertising for engineering services. We are also following procurement policies for procuring other services as they become due. Currently, we are soliciting quotes for bookkeeping services, plumber, and meter supplies and for supplies to do arsenic treatment.

STATE OF NEW MEXICO
ALCALDE MUTUAL DOMESTIC WATER USERS ASSOCIATION
Schedule of Findings and Reponses
YEAR ENDED DECEMBER 31, 2014

**2010-4 Segregation of Duties on the Review and Approval of all Disbursements,
Receipts and Journal Entries**

Criteria

Good internal control requires the segregation of duties in the recording, approval and reconciliation of receipts, disbursements transactions and review and approval of all journal entries.

Condition

All of the Association's financial transaction are prepared, posted and approved by the fee accountant. The fee accountant has complete control over the receipting and disbursement cycle and journal entries.

Cause

Association is a small association and depends on the fee accountant to perform all accounting functions.

Effect

The lack of review and approval by the Board could create the possibility for errors or irregularity on the financial statements of Association.

Recommendation

Recommend that the Association's Board on a monthly basis be presented a list of disbursements and documentation of receipts and journal entries for the month for review and approval.

Entity Response

Quarterly financial statements, bank statements and list of disbursements, receipts and journal entries have been reviewed and approved, however it was not documented. It will be documented from now on.

STATE OF NEW MEXICO
ALCALDE MUTUAL DOMESTIC WATER USERS ASSOCIATION
Status of Prior Year Findings
YEAR ENDED DECEMBER 31, 2014

2010-1	Quarterly Financial Reports to DFA-LGD	Resolved
2010-2	Procurement Code Compliance	Repeated
2010-3	Late Agreed Upon Procedures Report	Resolved
2010-4	Segregation of Duties on the Review and Approval of all Disbursements, Receipts and Journal Entries	Repeated
2010-6	Late Submission of IPA Recommendation Form	Resolved

STATE OF NEW MEXICO
ALCALDE MUTUAL DOMESTIC WATER USERS ASSOCIATION

Exit Conference

YEAR ENDED DECEMBER 31, 2014

Exit Conference

The report contents were discussed at an exit conference held May 8, 2015 with the following in attendance:

Alcalde Mutual Domestic Water Users Association

Alfredo Montoya, President

David Honaberger, Treasurer

Accounting Firm

Joseph M. Salazar, CPA

