



MACIAS, GUTIERREZ & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ESPANOLA, NEW MEXICO
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STATE OF NEW MEXICO

**CAÑONCITO AT APACHE CANYON
MUTUAL DOMESTIC WATER ASSOCIATION**

Independent Accountants' Report on Applying
Agreed-Upon Procedures

Year Ended December 31, 2010

STATE OF NEW MEXICO

**CAÑONCITO AT APACHE CANYON
MUTUAL DOMESTIC WATER ASSOCIATION**

**Independent Accountants' Report on Applying
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**STATE OF NEW MEXICO
CAÑONCITO AT APACHE CANYON MUTUAL DOMESTIC WATER ASSOCIATION**

**Official Roster
at December 31, 2010**

<u>Name</u>		<u>Title</u>
<u>Board of Directors</u>		
Rita Gurule		President
Sevastian Gurule		Vice-President
Lupita Martinez		Secretary
Olivia Leal		Treasurer
Terri Gonzales		Member
<u>Staff</u>		
Ana M. Berry		Accounts Manager



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To: Rita Gurule, President
Cañoncito at Apache Canyon Mutual Domestic Water Association
and
Honorable Hector H. Balderas
New Mexico State Auditor

We have performed the procedures enumerated below for the Cañoncito at Apache Canyon Mutual Domestic Water Association (CaACMDWA), for the year ended December 31, 2010, solely to assist the CaACMDWA in demonstrating compliance with a Tier 5 entity under the Audit Act, Section 12-6-3 B (4) NMSA 1978, Section 2.2.2.16 NMAC and Section 6-6-2 (A) NMSA 1978, as set forth in the accompanying Exhibits A, B and C. The procedures were agreed to by the CaACMDWA through the Office of the New Mexico State Auditor. The Cañoncito at Apache Canyon Mutual Domestic Water Association's management is responsible for the organization's accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. Our procedures and findings are as follows:

1. Cash

Procedures

- a) Determine whether bank reconciliations are being performed in a timely manner and whether all bank and investment statements for the fiscal year are complete and on-hand.
- b) Perform a random test of bank reconciliations for accuracy. Also, trace ending balances to the general ledger, supporting documentation and the financial reports submitted to DFA-Local Government Division (DFA-LGD).
- c) Determine whether the local public body's financial institutions have provided it with the 50% of pledged collateral on all uninsured deposits as required by Section 6-10-17 NMSA 1978, NM Public Money Act, if applicable.

Findings

- a) The CaACMDWA has one checking account and utilizes Quickbooks to record cash transactions. Bank reconciliations are performed on a timely basis and all bank statements were complete and on-hand for the entire year.

- b) Random tests of bank reconciliations revealed no exceptions. We tested February, May, September and December 2010. Ending balances agreed with the general ledger and other supporting documentation. However, since required quarterly financial reports were not submitted to DFA-LGD at any time during the year or at year-end, we could not trace ending balances to those reports.
- c) The single bank account balance never exceeded uninsured limits and, therefore, pledged collateral was not required on the bank account 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

Although there are substantial capital assets and accumulated depreciation shown on the balance sheet, the CaACMDWA did not maintain a capital assets inventory listing and, therefore, did not perform a yearly inventory as required by Section 12-6-10 NMSA 1978.

3. Revenue

Procedures

Identify the nature and amount of revenue from sources by reviewing the budget, agreements, rate schedules, and underlying documentation.

- a) Perform an analytical review; test actual revenue compared to budgeted revenue for the year for each type of revenue.

Test 50% of the total amount of revenues for the following attributes:

- b) Amount recorded in the general ledger agrees to the supporting documentation and the bank statement.
- c) Proper recording of classification, amount, and period per review of supporting documentation and the general ledger. Perform this revenue work on the same accounting basis that the local public body keeps its accounting records on, cash basis, modified accrual basis, or accrual basis.

Findings

- a) Analytical review and test of actual revenue compared to budgeted revenue for the year for each revenue type revealed no exceptions.
- b) Amounts recorded on Quickbooks general ledger agreed with deposit tickets, other supporting documentation provided and the bank statements, with no exception.
- c) Amounts were properly recorded on a modified accrual basis as to classification, amount and period per review of supporting documentation.

4. Expenditures

Procedures

Select a sample of cash disbursements and test at least 25 transactions and 50% of the total amount of expenditures for 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 check clearing amount (cancelled checks not returned), as appropriate.
- b) Determine that disbursements were properly authorized and approved in compliance with the budget, legal requirements and established policies and procedures.
- c) Determine that the bid process (or request for proposal process if applicable), purchase orders, contracts and agreements were processed in accordance with the New Mexico Procurement Code (Section 13-1-28 through 13-1-99 NMSA 1978) and State Purchasing Regulations (1.4.1 NMAC) and Regulations Governing the Per Diem and Mileage Act (2.42.2 NMAC).

Findings

- a) Our tests of transactions revealed that amounts recorded as disbursed agreed to supporting documentation, with no exceptions. Amount paid, payee, date and description agreed with the vendor's invoice, purchase order, contract and check clearing amount, as appropriate.
- b) Disbursements were properly authorized and approved in compliance with the legal requirements and established policies and procedures.
- c) The bid process (or request for proposal process, if applicable), purchase orders, contracts and agreements were processed in accordance with the New Mexico Procurement Code (Section 13-1-28 through 13-1-99 NMSA 1978) and State Purchasing Regulations (1.4.1 NMAC) and Regulations Governing the Per Diem and Mileage Act (2.42.2 NMAC).

5. Journal Entries

Procedures

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

- a) Journal entries appear reasonable and have supporting documentation.
- b) The local public body has procedures that require journal entries to be reviewed and there is evidence the reviews are being performed.

Findings

The CaACMDWA bookkeeper utilizes Quickbooks to record cash transactions but the fee accountant prepares general journal entries at the end of the year to reclassify equipment purchased from expenses to capital assets and record depreciation expense. Also at the end of the year, journal entries are made to reclassify loan payments to principal and interest. One other entry was made to reduce attorney fees expense due to a refund received for overpayment. The results of our tests are as follows:

- a) Journal entries are reasonable and have supporting documentation.
- b) The CaACMDWA has procedures that require journal entries to be reviewed and there is evidence the reviews are being performed through approval of monthly and yearly financial statements.

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 the minutes and correspondence, that the original budget and subsequent budget adjustments were approved by the local public body's governing body and DFA-LGD.
- b) Determine if the total actual expenditures exceeded the final budget at the legal level of budgetary control; if so, report a compliance finding.
- c) From the original and final approved budgets and general ledger, prepare a schedule of revenues and expenditures – budget and actual on the budgetary basis used by the local public body (cash, accrual or modified accrual basis) for each individual fund.

Findings

- a) The July 15, 2010, annual membership Board meeting minutes reflect approval of the 2010 budget but this budget was not submitted to DFA-LGD for approval. The budget was prepared for internal use only and the CaACMDWA made no subsequent 2010 budget adjustments.
- b) Total actual expenses exceeded the final budget by \$15,854 at the total fund level, the legal level of budgetary control and is a compliance finding.
- c) The CaACMDWA prepared but did not submit the budget report for the year ended December 31, 2010 to DFA-LGD. A schedule of revenues and expenses – budget and actual was prepared from CaACMDWA records on the modified accrual budgetary basis. This schedule is included herein as Exhibit A.

Capital Outlay Appropriations

The Contractor shall 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 year.

The Contractor shall test all capital outlay expenditures during the fiscal year to:

- a) Determine that amount recorded as disbursed agrees to adequate supporting documentation. Verify that amount, payee, date and description agree to the vendor's invoice, purchase order, contract and cancelled check, as appropriate.
- b) Determine that disbursements were properly authorized and approved in compliance with the budget, legal requirements and established policies and procedures.
- c) Determine that the bid process (or request for proposal process if applicable), purchase orders, contracts and agreements were processed in accordance with the New Mexico Procurement Code (Section 13-1-28 through 13-1-99 NMSA 1978) and State Purchasing Regulations (1.4.1 NMAC) and Regulations Governing the Per Diem and Mileage Act (2.42.2 NMAC).
- 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 the status report agree with the general ledger and other supporting documentation.
- f) If the project was funded in advance, the Contractor shall 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, the Contractor shall determine if there is unexpended balance and whether it was reverted per 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 agreement.

- 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 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 vendor's invoices, purchase orders, contracts and cancelled checks, as appropriate.
- b) We determined that disbursements were properly authorized and approved in compliance with the budget, legal requirements and established policies and procedures.
- c) We determined that the bid process (or request for proposal process if applicable), purchase orders, contracts and agreements were processed in accordance with the New Mexico Procurement Code (Section 13-1-28 through 13-1-99 NMSA 1978) and State Purchasing Regulations (1.4.1 NMAC) and Regulations Governing the Per Diem and Mileage Act (2.42.2 NMAC).
- d) Since the projects are not complete, we were unable to determine the physical existence (by observation) of the capital asset based on expenditures to date.
- e) We verified that status reports were submitted to the state agency per terms of agreement and amounts in the status report agree with the general ledger and other supporting documentation.
- f) There were two projects. The projects were not intended to be funded in advance but on a reimbursement basis.
- g) Both projects are not yet complete.
- h) Since the projects were approved on a reimbursement basis, no separate fund or bank account was required.
- i) We determined that reimbursement requests were properly supported by costs incurred by the recipient and that the costs were paid by the local public body prior to the request for reimbursement or paid directly to vendors upon certification of work performed.

Other

Procedures

If information comes to the IPA's attention (regardless of materiality) indicating any fraud, illegal acts, noncompliance, or any internal control deficiencies, disclose in the report as required by Section, 12-6-6 NMSA 1978. The findings must include the required content per Section 2.2.2.10 (I) (3) (C) NMAC.

Findings

No exceptions were found as a result of applying the procedures described above (regardless of materiality) indicating any fraud, illegal acts, or any internal control deficiencies. However, see the Schedule of Findings and Responses for noncompliance issues related to the Cash, Capital Assets, and Budget findings described above and Late Report.

* * * * *

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, including the accompanying Exhibit A and Projects Schedules – Summary and Detail, Exhibits B and C. 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 Cañoncito at Apache Canyon Mutual Domestic Water Association, the New Mexico State Auditor's Office and the Department of Finance and Administration, Local Government Division and is not intended to be and should not be used by anyone other than those specified parties.

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

Macias, Gutierrez & Co., CPAs, P. C.
Española, New Mexico
January 18, 2012

STATE OF NEW MEXICO
CAÑONCITO AT APACHE CANYON MUTUAL DOMESTIC WATER ASSOCIATION
Schedule of Revenues and Expenses-Budget and Actual (Modified Accrual Basis)
Year Ended December 31, 2010

	Budgeted Amounts		Actuals	Variance
	Original	Final		Favorable (Unfavorable)
Revenues:				
Billings	\$ 70,992	\$ 70,992	\$ 67,761	\$ (3,231)
Gross Receipts	3,540	3,540	-	(3,540)
Interest Income	-	-	1	1
New Service	-	-	950	950
NMFA Funding	-	-	5,052	5,052
Total revenues	74,532	74,532	73,764	(768)
Cash balance budgeted	-	-	-	-
Total revenues and cash balance budgeted	74,532	74,532	73,764	(768)
Expenses:				
2010 System Improvements	-	-	843	(843)
Attorney Fees	-	-	736	(736)
Line Locates	50	50	51	(1)
Materials	3,276	3,276	1,801	1,475
Remote Sensors	-	-	243	(243)
Repairs and Maintenance	900	900	575	325
System Maintenance	-	-	256	(256)
Water Testing	996	996	681	315
Cost of Operation-Other	-	-	217	(217)
Depreciation Expense	-	-	28,992	(28,992)
Emergency Funds	8,400	8,400	-	8,400
Liability Insurance	2,000	2,000	2,079	(79)
License	-	-	250	(250)
Loans	23,642	23,642	8,465	15,177
NMFA Funding	-	-	765	(765)
NSF Check Fees	-	-	24	(24)
NSF Checks	-	-	227	(227)
Advertising	45	45	-	45
Annual Meeting	50	50	-	50
Bank Charges	51	51	-	51
Dues and Subscriptions	110	110	240	(130)
General Meeting Supplies	-	-	36	(36)
Liens	-	-	17	(17)
Mileage	1,068	1,068	1,215	(147)
Monthly Meeting	1,800	1,800	1,560	240
PO Box Rental	58	58	60	(2)
Postage	528	528	528	-
Printing	50	50	49	1
Public Regulation Commission	-	-	20	(20)
Software Support	600	600	633	(33)

STATE OF NEW MEXICO
CAÑONCITO AT APACHE CANYON MUTUAL DOMESTIC WATER ASSOCIATION
Schedule of Revenues and Expenses-Budget and Actual (Modified Accrual Basis)
Year Ended December 31, 2010

	Budgeted Amounts		Actuals	Variance
	Original	Final		Favorable (Unfavorable)
Expenses (cont'd):				
Storage Unit	\$ 450	\$ 450	\$ 450	\$ -
Supplies	600	600	509	91
Wire Transfer Fee	-	-	24	(24)
Penalties and Interest	-	-	12	(12)
Accounting	-	-	1,191	(1,191)
Bookkeeping	7,672	7,672	8,746	(1,074)
Stenographer	1,470	1,470	815	655
Water Operator	9,000	9,000	14,100	(5,100)
Meter Reader	3,276	3,276	3,276	-
Conservation Fee	72	72	245	(173)
Corporate Income Tax	-	-	62	(62)
Gross Receipts	3,540	3,540	3,251	289
Property Taxes	-	-	4	(4)
State Income Taxes	-	-	50	(50)
Electricity	3,876	3,876	5,604	(1,728)
CPI Adjustment	-	-	532	(532)
	<u>73,580</u>	<u>73,580</u>	<u>89,434</u>	<u>(15,854)</u>
Total expenses				
	<u>\$ 952</u>	<u>\$ 952</u>	<u>\$ (15,670)</u>	<u>\$ (16,622)</u>
Excess revenues over (under) expenses				

STATE OF NEW MEXICO
 CAÑONCITO AT APACHE CANYON MUTUAL DOMESTIC WATER ASSOCIATION
 Projects Schedule - Summary
 Year Ended December 31, 2010

Exhibit B

Project No.	Pay Request	Amount Awarded	2010 Amount Received	2010 Amount Expended	2010 Remaining Balance	Actual Legislation	Effective Dates
1375-WW		\$ 262,500.00				Laws of 2003, Senate Bill 273, for planning, design and construction of system-wide improvements including but not limited to obtaining a new water source, water treatment, testing, treatment and improvements to the Grantee's water wells, pumps and treatment plant, evaluations and equipment of filters and/or pre-filters for the plant, and modifications of the Grantee's preliminary engineering report (PER) to address the water utility system's compliance and plans to incorporate into the Santa Fe County water utility system, all in order to reduce high concentrations of radium and improve the quality of drinking water.	Through 12/31/2011
	1-14				\$ 24,666.16		
	15		\$ -	\$ 354.11	24,312.05		
	16		Not issued	-	-		
	17		-	7,610.51	16,701.54		
	18		4,286.63	4,286.63	12,414.91		
	19		-	2,288.71	10,126.20		
	20		-	6,338.18	3,788.02		
			<u>4,286.63</u>	<u>20,878.14</u>	<u>\$ 3,788.02</u>		
1682-WW		\$ 125,000.00				Laws of 2004, House Bill 200, for planning, design and construction of system-wide improvements including but not limited to obtaining a new water source, water treatment, testing, water transmission lines and appurtenances in order to reduce high concentrations of radium in the drinking water.	Through 12/31/2011
	1		-	7,160.14	\$ 117,839.86		
	2		<u>765.01</u>	<u>765.01</u>	<u>117,074.85</u>		
			<u>765.01</u>	<u>7,925.15</u>	<u>\$ 117,074.85</u>		
Total Projects			<u>\$ 5,051.64</u>	<u>\$ 28,803.29</u>			

STATE OF NEW MEXICO
 CAÑONCITO AT APACHE CANYON MUTUAL DOMESTIC WATER ASSOCIATION
 Projects Schedule - Detail
 Year Ended December 31, 2010

Exhibit C

<u>Project No.</u>	<u>Pay Request</u>	<u>Request Date</u>	<u>Amount Awarded</u>	<u>Amount Requested/ Received</u>	<u>Date Paid * Received</u>	<u>Check Date</u>	<u>Check Number</u>	<u>Amount Expended</u>
1375-WW			\$ 262,500.00					
	1-14	2008-2009				Various	Various	\$ 237,833.84
	15	10/23/2009		EFT to Vendor	1/12/2010 *			354.11
	16	Not issued						
	17	1/26/2010		EFT to Vendor	2/2/2010 *			7,610.51
	18	4/9/2010		4,286.63	5/20/2010	3/31/2010	4515	4,286.63
	19	9/1/2010		EFT to Vendor	10/20/2010 *			2,288.71
	20	1/5/2011		-		12/31/2010	4688	6,338.18
				<u>\$ 4,286.63</u>				<u>258,711.98</u>
1682-WW			\$ 125,000.00					
	1	1/29/2010		EFT to Vendor	1/29/2010 *			7,160.14
	2	5/20/2010		765.01	5/20/2010	5/20/2010	4544	765.01
				<u>765.01</u>				<u>7,925.15</u>
Total Projects				<u>\$ 5,051.64</u>				<u>\$ 266,637.13</u>

* Payment made directly to vendor

**STATE OF NEW MEXICO
CAÑONCITO AT APACHE CANYON MUTUAL DOMESTIC WATER ASSOCIATION**

**Schedule of Findings and Responses
Year Ended December 31, 2010**

	<u>Type of Finding *</u>	<u>Prior Year Finding Number</u>	<u>Current Year Finding Number</u>
Current Year Findings:			
Budget Submission/Approval/Overexpended and Quarterly Financial Reports	D	N/A	2010-1
Capital Assets Inventory	D	N/A	2010-2
Late Report	D	N/A	2010-3
Follow-up on Prior Year Findings:			
None	N/A	N/A	N/A

*** Legend for Findings:**

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

**STATE OF NEW MEXICO
CAÑONCITO AT APACHE CANYON MUTUAL DOMESTIC WATER ASSOCIATION**

**Schedule of Findings and Responses
Year Ended December 31, 2010**

2010-1

Budget Submission/Approval/Overexpended and Quarterly Financial Reports

Criteria

Section 6-6-2 (A) NMSA, 1978 requires each local public body to furnish and file with the Department of Finance and Administration-Local Government Division (DFA-LGD), on or before December 1, of each year, a proposed budget for the next fiscal year. Upon receipt of any budget approved by the DFA-LGD, the local public body shall cause such budget to be made a part of the minutes of such body. Section 6-6-2 (B) NMSA, 1978 requires each local public body to submit periodic financial reports, at least quarterly, to the DFA-LGD. Section 6-6-3 NMSA, 1978 states that every local public body shall make all reports as may be required by the DFA-LGD and conform to the rules and regulations adopted by the DFA-LGD. Section 6-6-6 NMSA 1978 states that when any budget for a local public body has been approved, it is binding upon all officials and governing authorities, and no governing authority or official shall allow or approve claims in excess thereof.

Condition

The Cañoncito at Apache Canyon Mutual Domestic Water Association (CaACMDWA) did not submit a 2010 budget for DFA-LGD approval nor did they submit required quarterly financial cash activity and budget reports to the DFA-LGD at any time during the year or at year end. Total actual expenses exceed the total budget by \$15,854 for the year ended December 31, 2010.

Cause

The CaACMDWA was not aware of the DFA-LGD requirements.

Effect

The CaACMDWA has not complied with Sections 6-6-2, 6-6-3 and 6-6-6 NMSA 1978.

Recommendation

We recommend that the CaACMDWA submit their proposed budget to DFA-LGD for approval, on or before December 1 of each year and that upon receipt of the approved budget cause such budget to be made a part of the minutes. We also recommend that the CaACMDWA submit quarterly financial reports, as required, to DFA-LGD. Finally, we recommend that the CaACMDWA insure that total actual expenses do not exceed total budgeted expenses.

Entity Response

“Now that the Association is aware of the requirements, the accounts manager will submit all necessary paperwork to DFA-LGD in a timely manner. Appropriate budget adjustments will be made during the year to ensure that the budget is not over expended.”

**STATE OF NEW MEXICO
CAÑONCITO AT APACHE CANYON MUTUAL DOMESTIC WATER ASSOCIATION**

**Schedule of Findings and Responses
Year Ended December 31, 2010**

2010-2

Capital Assets Inventory

Criteria

Section 12-6-10 NMSA, 1978 requires each local public body to, at the end of each fiscal year, conduct a physical inventory of capital assets costing more than five thousand dollars (\$5,000) and under control of the governing authority. The inventory shall list all capital assets and the date and cost of acquisition. Upon completion, the inventory shall be certified by the governing authority as to correctness. Each local public body shall maintain one copy in its files.

Condition

The Cañoncito at Apache Canyon Mutual Domestic Water Association (CaACMDWA) did not maintain a capital asset listing or performed a yearly inventory as required by Section 12-6-10 NMSA 1978.

Cause

The CaACMDWA was not aware of the statute requirements.

Effect

The CaACMDWA has not complied with Section 12-6-10 NMSA 1978.

Recommendation

We recommend that the CaACMDWA develop a capital asset inventory listing and perform the yearly inventory as required by Section 12-6-10 NMSA 1978.

Entity Response

“The Association will perform the annual inventory before the end of each calendar year.”

**STATE OF NEW MEXICO
CAÑONCITO AT APACHE CANYON MUTUAL DOMESTIC WATER ASSOCIATION**

**Schedule of Findings and Responses
Year Ended December 31, 2010**

2010-3

Late Report

Criteria

Office of the State Auditor, Rule 2010, Section 2.2.2.16.H, requires that local public bodies with a fiscal year end other than June 30 must submit the agreed upon procedures report no later than five months after the fiscal year end.

Condition

The Cañoncito at Apache Canyon Mutual Domestic Water Association (CaACMDWA) has a December 31 year end but the agreed upon procedures report was submitted more than five months after the end of the fiscal year.

Cause

The request for proposal process began on April 19, 2011, but the CaACMDWA did not submit the contract for approval until September 2011. The contract was approved on October 20, 2011, months after the required deadline.

Effect

The CaACMDWA has not complied with Office of the State Auditor, Rule 2010, Section 2.2.2.16.H.

Recommendation

We recommend that the CaACMDWA submit all future agreed upon procedures reports by the required deadline.

Entity Response

"The Cañoncito at Apache Canyon MDWCA has submitted the agreed upon procedures report to the Office of the State Auditor approximately 8 months after the deadline. The Association will ensure that all future agreed upon procedures reports will be submitted by the deadline."

**STATE OF NEW MEXICO
CAÑONCITO AT APACHE CANYON MUTUAL DOMESTIC WATER ASSOCIATION**

**Exit Conference
Year Ended December 31, 2010**

EXIT CONFERENCE

The report contents were discussed at an exit conference held on February 8, 2012 with the following in attendance:

Cañonito at Apache Canyon Mutual Domestic Water Association

Rita Gurule, Board President
Ana Berry, Accounts Manager

Accounting Firm

James R. (Jim) Macias, CPA