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ESPANOLA, NEW MEXICO
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STATE OF NEW MEXICO

**CHAMITA MUTUAL DOMESTIC
WATER CONSUMERS AND
SEWAGE WORKS ASSOCIATION**

Independent Accountants' Report on Applying
Agreed-Upon Procedures

Year Ended December 31, 2011

STATE OF NEW MEXICO

**CHAMITA MUTUAL DOMESTIC
WATER CONSUMERS AND
SEWAGE WORKS ASSOCIATION**

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CHAMITA MUTUAL DOMESTIC WATER CONSUMERS
AND SEWAGE WORKS ASSOCIATION**

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**STATE OF NEW MEXICO
CHAMITA MUTUAL DOMESTIC WATER CONSUMERS
AND SEWAGE WORKS ASSOCIATION**

**Official Roster
at December 31, 2011**

<u>Name</u>		<u>Title</u>
<u>Board of Directors</u>		
David Archuleta		President
Gilbert Salazar		Vice-President
Anna Flores		Secretary
Gloria Gonzales		Treasurer
Henry Talache		Member
<u>Staff</u>		
Juliet Salazar		Office Manager
Gloria Gonzales		Water Operator/Meter Reader



Macias, Gutierrez
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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To: Gilbert Salazar, President
Chamita Mutual Domestic Water Consumers and Sewage Works Association #3090
and
Honorable Hector H. Balderas
New Mexico State Auditor

We have performed the procedures enumerated below for the Chamita Mutual Domestic Water Consumers and Sewage Works Association (CMDWCSWA), for the year ended December 31, 2011 solely to assist CMDWCSWA 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, C, D and E. The procedures were agreed to by the CMDWCSWA through the Office of the New Mexico State Auditor. The CMDWCSWA'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 CMDWCSWA has three checking accounts and three certificates of deposit and utilizes Quickbooks to record cash transactions. All bank reconciliations are performed on a timely basis and all were complete and on-hand for the fiscal year.

- b) Random tests of bank reconciliations revealed no exceptions. The reconciliations were accurate and agreed with supporting documentation. We traced ending balances to the general ledger, supporting documentation and to the quarterly financial report submitted to DFA-LGD at year-end, included herein as Exhibit B, without exception.
- c) Cumulative single-institution bank account balances never exceeded uninsured limits and therefore, pledged collateral was not required on any uninsured deposits.

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 the CMDWCSWA has capital assets, it does 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.

Select a sample of revenue 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 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) An analytical review of prior-year to current-year revenue revealed no unexplained or unusual variations. The test of actual revenue compared to budgeted revenue for the year for each type of revenue revealed no exceptions.
- b) We requested supporting documentation for seventeen (17) deposits (34% of total revenue) from a total of 58 deposits for the year. For the sample selected, amounts recorded on Quickbooks agreed with supporting documentation and the bank statements without exception.
- c) Except for not specifically identifying state capital outlay appropriations, amounts were properly recorded on a cash basis as to classification, amount and period per review of supporting documentation. The state capital outlay appropriations were included with other reimbursements.

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 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).

Findings

- a) We requested supporting documentation for thirty-one (31) disbursements (37% of total expenses) out of a total of 361 disbursements for the year. For the sample selected, amounts recorded as disbursed agreed to supporting documentation. Amount paid, payee, date and description agreed with the vendor's invoice, purchase order, contract and photocopied cancelled check, as appropriate.
- b) Except for not having a DFA-LGD approved budget for FY 2011, disbursements were properly authorized and approved in compliance with the budget, 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 CMDWCSWA utilizes Quickbooks to record cash transactions only and does not prepare formal journal entries.

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 CMDWCSWA did not submit the 2011 budget to DFA-LGD for approval on a timely basis. The June 5, **2013** Board minutes include Board approval of the 2011 budget. Therefore, there was no Board or DFA-LGD approved operating budget utilized during the year. The information included herein was provided during the agreed-upon procedures engagement and shows budgeted expenses exceeding budgeted revenues by \$49,296.
- b) Total actual expenses did not exceed the final budget at the total fund level, the legal level of budgetary control.
- c) A schedule of revenues and expenses – budget and actual was prepared from CMDWCSWA records on the cash budgetary basis. This schedule is included herein as Exhibit A. In June 2013, the CMDWCSWA submitted the expense portion of the budget only for the year ended December 31, 2011 to DFA-LGD, which is presented herein as Exhibit C.

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.

7. 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 project costs for 2011 included only engineering, 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) The project was not intended to be funded in advance but on a reimbursement basis.
- g) This project is complete except for one final payment due to the engineer totaling \$732.49.
- h) Since the project was 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 in accordance with the grant agreement.

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 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 any part thereof, including Exhibits A, B, C, D and E. 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 Chamita Mutual Domestic Water Consumers and Sewage Works 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
September 9, 2013

STATE OF NEW MEXICO
CHAMITA MUTUAL DOMESTIC WATER CONSUMERS AND SEWAGE WORKS ASSOCIATION
Schedule of Revenues and Expenses-Budget and Actual (Cash Basis)
Year Ended December 31, 2011

	Budgeted Amounts		Actuals	Variance
	Original	Final		Favorable (Unfavorable)
Revenues:				
Adjustments to Register	\$ 5	\$ 5	\$ -	\$ (5)
Interest Income	1,000	1,000	846	(154)
Reconnect Fee	225	225	175	(50)
Refund	290	290	-	(290)
Reimbursement	5,000	5,000	29,062	24,062
Returned Check Charges	75	75	-	(75)
Returned Item Replacement	400	400	236	(164)
Supplies Sold	98	98	-	(98)
Water Service Connections	350	350	225	(125)
Water Service Sales	89,500	89,500	106,437	16,937
Member Fee	-	-	37	37
Total revenues	<u>96,943</u>	<u>96,943</u>	<u>137,018</u>	<u>40,075</u>
Cash balance budgeted	-	-	-	-
Total revenues and cash balance budgeted	<u>96,943</u>	<u>96,943</u>	<u>137,018</u>	<u>40,075</u>
Expenses:				
Adjustments to Register	5	5	-	5
Advertising	20	20	20	-
Association Meetings	450	450	319	131
Audit	4,500	4,500	3,456	1,044
Auto	1,852	1,852	280	1,572
Bank Check Charge	50	50	50	-
Chama Community Center	8,200	8,200	7,826	374
Contract Labor	1,450	1,450	1,693	(243)
Contractor	1,050	1,050	2,069	(1,019)
Dues	400	400	289	111
Insurance	4,900	4,900	4,898	2
Land Payment	200	200	176	24
Legal	700	700	645	55
Mileage	102	102	102	-
Miscellaneous	660	660	640	20
Office Supplies	6,000	6,000	4,330	1,670
Payroll Expenses	54,000	54,000	43,121	10,879
Postage	1,650	1,650	1,619	31
Returned Checks	400	400	289	111
Supplies	8,500	8,500	7,123	1,377
System	34,200	34,200	33,128	1,072
Tax	8,000	8,000	7,610	390
Training	1,500	1,500	1,097	403
Utilities	7,450	7,450	7,413	37
Total expenses	<u>146,239</u>	<u>146,239</u>	<u>128,193</u>	<u>18,046</u>
Excess revenues over (under) expenses	<u>\$ (49,296)</u>	<u>\$ (49,296)</u>	<u>\$ 8,825</u>	<u>\$ 58,121</u>

**Chamita Mutual Domestic Water Consumers & Sewage Works Association
PO Box 1301, San Juan Pueblo, New Mexico 87566**

**2011 Cash flow Report
All Accounts Summary**

Beginning Balance All Accounts \$180,889.05

Operations Account

	<u>Jan - Dec 11</u>	
Beginning Balance January 01, 2011	\$45,514.04	
Income	\$112,846.93	
Expenses	\$104,772.05	
Net Income/Loss	\$8,074.88	
Ending Balance December 31, 2011		\$53,588.92
Cash on hand		\$100.00

Capital Projects Checking Account (Reserve Fund)

Beginning Balance January 01, 2011	\$24,695.72	
Income	\$23,497.92	
Expenses	23,439.91	
Net Income/Loss	\$58.01	
Ending Balance December 31, 2011		\$24,753.73

Capital & Depreciation CD'S (Reserve Fund)

CD #1

Beginning Balance January 01, 2011	\$75,595.19	
Income	\$333.07	
Expenses	\$0.00	
Ending Balance CD #1 December 31, 2011		\$75,928.26

**Chamita Mutual Domestic Water Consumers & Sewage Works Association
PO Box 1301, San Juan Pueblo, New Mexico 87566**

CD #2 (Water Rights Fund)

Beginning Balance January 01, 2011	\$16,052.69	
Income	291.33	
Expenses	0.00	
Net Income/loss	\$291.33	
Ending Balance December 31, 2011		\$16,344.02

Membership Checking Account

Beginning Balance January 01, 2011	\$2,592.44	
Income	\$38.72	
Expense	\$0.00	
Net Income/Loss	\$38.72	
Ending Balance December 31, 2011		\$2,631.16

Membership Investment Account

CD #3

Beginning Balance January 01, 2011	\$16,338.97	
Income	\$45.17	
Expense	\$0.00	
Net Income/Loss	\$45.17	
Ending Balance December 31, 2011		\$16,384.14

Net Income/Loss All Accounts		\$8,841.18
Closing Balance All Accounts Dec 31, 2011		\$189,730.23

**Chamita Mutual Domestic Water Consumers Association
PO Box 1301 San Juan Pueblo, New Mexico 87566**

2011 Annual Budget

Adjustments to register	5.00
Advertising	20.00
Association Meetings	450.00
Audit	4,500.00
Auto	1,851.88
Bank Check charge	50.00
Chamita Community Center	8,200.00
Contract Labor	1,450.00
Contractor	1,050.00
Dues	400.00
Insurance	4,900.00
Land Payment	200.00
Legal	700.00
Mileage	102.00
Misc	660.00
Office Supplies	6,000.00
Payroll Expenses	54,000.00
Postage	1,650.00
Returned Cks	400.00
Supplies	8,500.00
System	34,200.00
Tax	8,000.00
Training	1,500.00
Utilities	7,450.00
Total Budget	<u>146,238.88</u>

STATE OF NEW MEXICO
 CHAMITA MUTUAL DOMESTIC WATER CONSUMERS AND SEWAGE WORKS ASSOCIATION
 Projects Schedule - Summary
 Year Ended December 31, 2011

Exhibit D

Grant No.	Pay Request	Amount Awarded	2010/2011 Amount Received	2010/2011 Amount Expended	2010/2011 Remaining Balance	Actual Legislation	Effective Dates
SAP 07-3239-GF		\$ 30,756.75					
	1		2,488.65	2,488.65	\$ 28,268.10	Laws of 2007, Chapter 2, Section 21, SubSection 17, to plan, design, construct, equip and install a well and pump house, including integration into the existing water facility for the Chamita mutual domestic water consumers and mutual sewage works association in Chamita in Rio Arriba county	Approved Through 6/30/2011
	2		23,439.91	23,439.91	4,828.19		
	3		4,828.19	4,095.70	732.49		
			<u>\$ 30,756.75</u>	<u>\$ 30,024.26</u>	<u>\$ 732.49</u>		

STATE OF NEW MEXICO
 CHAMITA MUTUAL DOMESTIC WATER CONSUMERS AND SEWAGE WORKS ASSOCIATION
 Projects Schedule - Detail
 Year Ended December 31, 2011

Exhibit E

<u>Grant No.</u>	<u>Pay Request</u>	<u>Request Date</u>	<u>Amount Awarded</u>	<u>Amount Received</u>	<u>Date Received</u>	<u>Check Date</u>	<u>Check Number</u>	<u>Amount Expended</u>
SAP 07-3239-GF			\$ 30,756.75					
	1			\$ 2,488.65	Paid Directly to Engineer	6/28/2010	N/A	\$ 2,488.65
	2			23,439.81	3/29/2011	6/8/2011	1008	23,439.91
	3			4,828.19	7/27/2011	8/23/2011	3931	4,095.70
				<u>\$ 30,756.65</u>				<u>\$ 30,024.26</u>

**STATE OF NEW MEXICO
 CHAMITA MUTUAL DOMESTIC WATER CONSUMERS
 AND SEWAGE WORKS ASSOCIATION**

**Schedule of Findings and Responses
 Year Ended December 31, 2011**

	<u>Type of Finding *</u>	<u>Prior Year Finding Number</u>	<u>Current Year Finding Number</u>
Current Year Findings:			
Budget Submission/Approval and Quarterly Financial Reports	D	2010-1	2010-1
Capital Assets Inventory	D	N/A	2011-1
Late Report	D	N/A	2011-2
Follow-up on Prior Year Findings:			
Budget Submission/Approval and Quarterly Financial Reports	D	2010-1	2010-1

*** Legend for Findings:**

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

**STATE OF NEW MEXICO
CHAMITA MUTUAL DOMESTIC WATER CONSUMERS
AND SEWAGE WORKS ASSOCIATION**

**Schedule of Findings and Responses
Year Ended December 31, 2011**

2010-1

Budget Submission/Approval and Quarterly Financial Reports

Criteria

Section 6-6-2 (A) NMSA, 1978 requires each local public body to furnish and file with the 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 Compilation states that every local public body shall make all reports as may be required by the Department of Finance and Administration-Local Government Division (DFA-LGD) and conform to the rules and regulations adopted by the DFA-LGD.

Condition

The Chamita Mutual Domestic Water Consumers and Sewage Works Association (CMDWCSWA) did not submit their 2011 budget for DFA-LGD approval but have record of Board approval of the 2011 budget in the June 5, **2013** minutes. The CMDWCSWA submitted the 2011 Board approved expenses budget only in June 2013. Not all required quarterly financial cash activity and budget reports were submitted to the DFA-LGD during the year. The CMDWCSWA submitted only a financial cash activity for the year ended December 31, 2011 in June 2013.

Cause

The CMDWCSWA did not comply with the prior-year agreed-upon procedures recommendations.

Effect

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

Recommendation

We again recommend that the CMDWCSWA submit a 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 further recommend that the CMDWCSWA submit quarterly financial cash activity and budget to actual reports, as required, to DFA-LGD.

Entity Response

“The Chamita MDWCA has corrected this finding and will submit Budget and Quarterly Financial Reports from this date forward to 2013.”

**STATE OF NEW MEXICO
CHAMITA MUTUAL DOMESTIC WATER CONSUMERS
AND SEWAGE WORKS ASSOCIATION**

**Schedule of Findings and Responses
Year Ended December 31, 2011**

2011-1

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 Chamita Mutual Domestic Water Consumers and Sewage Works Association (CMDWCSWA) has not maintained a capital asset listing or performed a yearly inventory as required by Section 12-6-10 NMSA 1978.

Cause

The CMDWCSWA was not aware of the statute requirements.

Effect

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

Recommendation

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

Entity Response

“The Chamita MDWCA has recently consulted with an engineering firm to apply for asset management Grant. This will give us a professional inventory of our capital assets. We will perform yearly inventories from this date forward.”

**STATE OF NEW MEXICO
CHAMITA MUTUAL DOMESTIC WATER CONSUMERS
AND SEWAGE WORKS ASSOCIATION**

**Schedule of Findings and Responses
Year Ended December 31, 2011**

2011-2

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 Chamita Mutual Domestic Water Consumers and Sewage Works Association (CMDWCSWA) 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 CMDWCSWA did not prepare and submit the required recommendation and contract forms to the State Auditor for approval in a timely manner. Since the contract was approved on July 15, 2013, the agreed-upon procedures engagement was started more than a year after the deadline.

Effect

The AFCWSA has not complied with Office of the State Auditor, Rule 2011, Section 2.2.2.16.H.

Recommendation

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

Entity Response

“The Chamita MDWCA will submit all future agreed upon procedures reports by the required deadline in the future.”

**STATE OF NEW MEXICO
CHAMITA MUTUAL DOMESTIC WATER CONSUMERS
AND SEWAGE WORKS ASSOCIATION**

**Exit Conference
Year Ended December 31, 2011**

EXIT CONFERENCE

The report contents were discussed at an exit conference held on September 13, 2013 with the following in attendance:

Chamita Mutual Domestic Water Consumers and Sewage Works Association

Gilbert Salazar, Board President
Juliet Salazar, Office Manager
Gloria Gonzales, Treasurer, Water Operator/Meter Reader

Accounting Firm

James R. (Jim) Macias, CPA