



MACIAS, GUTIERREZ & CO., P.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
ESPANOLA, NEW MEXICO  
[www.mgandc.com](http://www.mgandc.com)

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**STATE OF NEW MEXICO**

**TRAMPAS MUTUAL DOMESTIC  
WATER CONSUMERS ASSOCIATION**

Independent Accountants' Report on Applying  
Agreed-Upon Procedures (Tier 3)

Year Ended December 31, 2017

**STATE OF NEW MEXICO**

**TRAMPAS MUTUAL DOMESTIC WATER CONSUMERS  
ASSOCIATION**

**Independent Accountants' Report on Applying  
Agreed-Upon Procedures (Tier 3)**

**Year Ended December 31, 2017**

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**STATE OF NEW MEXICO  
TRAMPAS MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION**

**Table of Contents  
December 31, 2017**

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|  |                       | <b><u>Page</u></b> |
|--|-----------------------|--------------------|
| Title Page   |                       | i                  |
| Table of Contents  |                       | ii                 |
| Official Roster  |                       | iii                |
| Independent Accountants' Report on Applying<br>Agreed-Upon Procedures (Tier 3) |                       | iv-vi              |
|  | <b><u>Exhibit</u></b> |                    |
| Project Schedule - Summary   | A                     | 1                  |
| Project Schedule - Detail  | B                     | 2                  |
| Schedule of Findings and Responses   |                       | 3                  |
| Exit Conference  |                       | 4                  |

**STATE OF NEW MEXICO  
TRAMPAS MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION**

**Official Roster  
at December 31, 2017**

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| <u>Name</u>                      | <u>Title</u>    |
|----------------------------------|-----------------|
| <b><u>Board of Directors</u></b> |                 |
| Alex J. Lopez                    | President       |
| Priscilla Lopez North            | Vice-President  |
| Josephine Lopez                  | Treasurer       |
| Florence Vigil                   | Secretary       |
| Dorothy Lopez Sherman            | Member-at-Large |



Macias, Gutierrez  
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*Certified Public Accountants  
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## **INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES (TIER 3)**

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To: Alex J. Lopez, President  
Trampas Mutual Domestic Water Consumers Association #3420  
and  
Wayne A. Johnson  
New Mexico State Auditor

We have performed the procedures enumerated below, which were agreed to by the Trampas Mutual Domestic Water Consumers Association (TMDWCA) and the Office of the State Auditor on the Tier Verification, the State-Funded Capital Outlay Expenditures and Reimbursements and Other (Items 1-7) for the year ended December 31, 2017, included in the accompanying information provided to us by management of the Trampas Mutual Domestic Water Consumers Association. The Trampas Mutual Domestic Water Consumers Association is responsible for the Tier Verification, the State Funded Capital Outlay Expenditures and Reimbursements and Other (Items 1-7) for the year ended December 31, 2017 included in the accompanying information provided to us by the management of the TMDWCA. The sufficiency of these procedures is solely the responsibility of the parties specified in this 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. The procedures and associated findings (Results of Procedures Performed) are as follows:

The Contractor shall request and review all state-funded capital outlay awards, joint powers agreements, correspondence and other relevant documentation for the capital outlay award funds expended by the recipient that meet Tier 3 criteria.

1. Before beginning the procedures below, the IPA must verify the local public body's revenue calculation and tier determination using the form provided at [www.osanm.org](http://www.osanm.org) under "Tiered System Reporting Main Page."

We verified the Trampas Mutual Domestic Water Consumers Association's revenue calculation and tier determination. The Trampas Mutual Domestic Water Consumers Association's cash basis revenue was less than \$50,000 and expended at least 50% of, or the remainder of a capital outlay award which meets the criteria for **Tier 3 determination**.

2. **The Contractor shall test all state-funded capital outlay expenditures to:**

### **Procedures**

- 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.

**Results of Procedures Performed**

- 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 check copies, as appropriate. There were two projects, one for \$20,000 and the other for \$13,914.88. For Project 16-A2313, we examined two disbursements totaling \$20,099.72, \$99.72 of local funds spent. For Project 17-B4120, we examined four (4) disbursements totaling \$13,821.92.
- b) We determined that the disbursement was 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).
- d) We determined the physical existence by photographs 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 accounting records and other supporting documentation.

**3. Procedures**

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.

**Results of Procedures Performed**

There were two projects. The projects were not intended to be funded in advance but on a reimbursement basis.

**4. Procedures**

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.

**Results of Procedures Performed**

Project 16-A2313 is complete and there is no unexpended balance in agreement with the grantor. Project 17-B4120 is complete and there is an unexpended balance of \$92.96 that was reverted in agreement with the grantor.

**5. Procedures**

The Contractor shall 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.

**Results of Procedures Performed**

Since the projects were approved on a reimbursement basis, no separate fund or bank accounts were required.

**6. Procedures**

The Contractor shall determine whether reimbursement requests were properly supported by costs incurred by the recipient. The Contractor shall determine whether the costs were paid by the local public body prior to the request for reimbursement.

**Results of Procedures Performed**

We determined that reimbursement requests were properly supported and the TMDWCA incurred costs prior to the submission of requests for funding from the New Mexico Environment Department. There were two projects. For Project 16-A2313, we examined two reimbursement requests totaling \$20,000.00. For Project 17-B4120, we examined three reimbursement requests totaling \$13,821.92.

**7. Other Procedures**

If information comes to the Contractor'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 (l) (3) (C) NMAC.

**Results of Procedures Performed**

No exceptions were found as a result of applying the procedures described above (regardless of materiality) indicating any fraud, illegal acts, noncompliance or internal control deficiencies.

\* \* \* \* \*

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 a review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Tier Verification, State-Funded Capital Outlay Expenditures and Reimbursements or Other for the Trampas Mutual Domestic Water Consumers Association for the year ended December 31, 2017, included in the accompanying information provided to us by management of the Trampas Mutual Domestic Water Consumers Association. 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 you.

This report is intended solely for the information and use of the Trampas Mutual Domestic Water Consumers Association, the New Mexico State Auditor's Office, the Department of Finance and Administration, Local Government Division and the New Mexico Legislature and is not intended to be and should not be used by anyone other than the specified parties.

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

Macias, Gutierrez & Co., CPAs, P. C.  
Espanola, New Mexico 87532  
February 27, 2018

STATE OF NEW MEXICO  
 TRAMPAS MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION  
 Agreed-Upon Procedures (Tier 3)  
 For the Year Ended December 31, 2017

Exhibit A

| Capital Outlay<br>Project No. | Pay<br>Request | Amount<br>Awarded   | Amount<br>Requested/<br>Received | Actual<br>Amount<br>Expended | Remaining<br>Balance | Actual<br>Legislation  | Effective<br>Dates   |
|-------------------------------|----------------|---------------------|----------------------------------|------------------------------|----------------------|--|----------------------|
| 16-A2313-STB                  |                | <u>\$ 20,000.00</u> |                                  |                              |                      |  |                      |
|                               | 1              |                     | \$ 17,599.72                     | \$ 17,599.72                 | \$ 2,400.28          | Laws of 2016, Chapter 81, Section 18, Paragraph 83, to plan, design and construct water system improvements for Trampas domestic water consumers and mutual sewage works association in Taos county.   | Through<br>6/30/2020 |
|                               | 2              |                     | 2,400.28                         | 2,400.28                     | -                    |  |                      |
|                               |                |                     | <u>\$ 20,000.00</u>              | <u>\$ 20,000.00</u>          | <u>\$ -</u>          |  |                      |
| 17-B4120-STB                  |                | <u>\$ 13,914.88</u> |                                  |                              |                      |  |                      |
|                               | 1              |                     | \$ 5,798.15                      | \$ 5,798.15                  | \$ 8,116.73          | Laws of 2017, Chapter 133, Section 123, the time for expenditure for the department of environment project originally authorized in Subsection 81 of Chapter 226 of Laws 2013 and reauthorized in Laws 2015, Chapter 147, Section 75 to purchase and install water meters for Las Trampas mutual domestic water and mutual sewage works association in Taos county is extended through fiscal year 2019. | Through<br>6/30/2019 |
|                               | 2              |                     | 6,610.00                         | 6,610.00                     | 1,506.73             |  |                      |
|                               | 3              |                     | 1,413.77                         | 1,413.77                     | 92.96                |  |                      |
|                               |                |                     | <u>\$ 13,821.92</u>              | <u>\$ 13,821.92</u>          | <u>\$ 92.96</u>      |  |                      |



STATE OF NEW MEXICO  
 TRAMPAS MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION  
 Agreed-Upon Procedures (Tier 3)  
 For the Year Ended December 31, 2017

Exhibit B

| Grant No. | Pay Request | Request Date | Amount Awarded      | Amount Requested/ Received | Date Received | Invoice Amount      | Check Number | Check Date | Actual Amount Expended | Vendor Paid                |
|-----------|-------------|--------------|---------------------|----------------------------|---------------|---------------------|--------------|------------|------------------------|----------------------------|
| 16-A2313  |             |              | <u>\$ 20,000.00</u> |                            |               |                     |              |            |                        |                            |
| STB       |             |              |                     |                            |               |                     |              |            |                        |                            |
|           | 1           | 4/13/2017    |                     | \$ 17,599.72               | 4/24/2017     | \$ 17,599.72        | 1015         | 5/13/2017  | \$ 17,599.72           | HD Supply Waterworks       |
|           | 2           | 11/7/2017    |                     | \$ 2,400.28                | 11/21/2017    | \$ 2,500.00         | 607          | 11/26/2017 | \$ 2,500.00            | Core & Main                |
|           |             |              |                     | <u>\$ 20,000.00</u>        |               | <u>\$ 20,099.72</u> |              |            | <u>\$ 20,099.72</u>    |                            |
| 17-B4120  |             |              | <u>\$ 13,914.88</u> |                            |               |                     |              |            |                        |                            |
| STB       |             |              |                     |                            |               |                     |              |            |                        |                            |
|           | 1           | 9/1/2017     |                     | \$ 5,798.15                | 9/15/2017     | \$ 5,798.15         | 601          | 9/25/2017  | \$ 5,798.15            | HD Supply Waterworks       |
|           | 2           | 9/28/2017    |                     | 6,610.00                   | 11/3/2017     | 6,259.50            | 603          | 11/4/2017  | 6,259.50               | JR's Plumbing & Excavating |
|           |             |              |                     |                            |               | 350.50              | 1018         | 9/8/2017   | 350.50                 | Henry Trujillo             |
|           | 3           | 10/23/2017   |                     | \$ 1,413.77                | 11/21/2017    | 1,413.77            | 604          | 11/26/2017 | 1,413.77               | Core & Main                |
|           |             |              |                     | <u>\$ 13,821.92</u>        |               | <u>\$ 13,821.92</u> |              |            | <u>\$ 13,821.92</u>    |                            |

**STATE OF NEW MEXICO  
TRAMPAS MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION**

**Schedule of Findings and Responses  
Year Ended December 31, 2017**

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|  | <u>Type<br/>of<br/>Finding *</u> | <u>Prior<br/>Year<br/>Finding<br/>Number</u> | <u>Current<br/>Year<br/>Finding<br/>Number</u> |
|--|----------------------------------|--|--|
| <b>Current Year Findings:</b>            |                                  |  |  |
| None                                     | N/A                              | N/A  | N/A  |
| <b>Follow-up on Prior Year Findings:</b> |                                  |  |  |
| None                                     | N/A                              | N/A  | N/A  |

An agreed-upon procedures report was not required for the year ended 12/31/16

**\* Legend for Findings:**

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

**STATE OF NEW MEXICO  
TRAMPAS MUTUAL DOMESTIC WATER CONSUMERS ASSOCIATION**

**Exit Conference  
Year Ended December 31, 2017**

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**EXIT CONFERENCE**

The report contents were discussed at a telephonic exit conference held on March 1, 2018 with the following:

Trampas Mutual Domestic Water Consumers Association

Alex J. Lopez, Board President

Accounting Firm

James R. (Jim) Macias, CPA