



State of New Mexico
OFFICE OF THE STATE AUDITOR

Hector H. Balderas
State Auditor

Carla C. Martinez
Deputy State Auditor

November 5, 2009

VIA FACSIMILE AND U.S. MAIL

The Honorable Luciano "Lucky" Varela, Chairman
and
The Honorable John Arthur Smith, Vice-Chairman
Legislative Finance Committee
325 Don Gaspar, Suite 101
Santa Fe, New Mexico 87501

Re: UPDATE ON GOVERNMENT AGENCIES DESIGNATED "AT RISK"

Dear Chairman Varela and Vice-Chairman Smith:

This letter is to update you on the agencies currently designated "at risk" by the Office of the State Auditor's (OSA) agency "at risk" designation program. The Office of the State Auditor OSA designated a government agency "at risk" because the agency's annual financial and compliance audit was not been completed and submitted to the OSA by the applicable deadline as required by the Audit Act (Section 12-6-1 through 12-6-14 NMSA 1978) and the Audit Rule (2.2.2 NMAC (2009)). Accordingly, an updated list of "at risk" agencies is enclosed with this letter.

The designation of an agency at risk resulted in special monitoring by the OSA's Special Investigations Division (SID). As part of its special monitoring program, the SID required "at risk" agencies to submit periodic written status reports until the agency achieves compliance with the Audit Act and the Audit Rule. Agencies were required to submit their first written status reports to my office by November 2, 2009. The report had to contain a detailed explanation of the agency's efforts to complete and submit its audit, including an explanation of the current status of any ongoing audit work, a description of any obstacles encountered by the agency in completing its audit, and a projected completion date for the audit.

A substantial number of agencies did submit a status report informing the OSA of their progress in resolving their "at risk" status. Also there has been a significant number of audit reports received bringing many of these agencies deemed "At Risk" into compliance. However there were several special districts that cited either burdensome cost or lack of local independent audit resources as their primary obstacle in obtaining audit services. Also enclosed for your review is a list of "at risk" agencies that did not submit the required written status report by the OSA's November 2, 2009 deadline.

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Under its program, the OSA will withdraw the "at risk" designation for an agency once that agency completes and submits any outstanding audits. The OSA will keep you informed of changes to the list every 30 days. I hope this important program will assist you as you deliberate fiscal issues that impact New Mexico's future.

Respectfully,

A handwritten signature in black ink, appearing to read "Hector Balderas", with a stylized flourish at the end.

Hector H. Balderas
State Auditor

cc: Members and Designees of the Legislative Finance Committee
Katherine B. Miller, Secretary, Department of Finance and Administration
Dr. Veronica Garcia, Secretary, Public Education Department



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"At Risk" Designation*

Line number	Agency #	Name	Year of last audit report
1	803	Eastern Plains Council of Governments	2004
2	951	Education Trust Board of New Mexico	2007
3	5006	De Baca County	2007
4	5018	Mora County	2007
5	5028-A	Socorro Housing Authority	2007
6	5030	Torrance County	2006
7	6005	Village of Angel Fire	2007
8	6008	City of Aztec	2006
9	6028	Village of Santa Clara	2007
10	6040	Village of Columbus	2007
11	6046	Village of Cuba	2004
12	6046-A	Cuba Housing Authority	2004
13	6050	Village of Des Moines	2005
14	6058	Village of Encino	2006
15	6060	City of Espanola	2007
16	6064	EMW Gas Association	2006
17	6081	Village of Grenville	2007
18	6082	Town of Hagerman	2006
19	6100	Town of Lake Arthur	2002
20	6118	Village of Magdalena	2005
21	6120	Village of Maxwell	2005
22	6122	Village of Melrose	2007
23	6126	Village of Milan	2007
24	6130	Village of Mosquero	2007
25	6134	Village of Pecos	2006
26	6150	Village of Roy	2004
27	6152	Village of Ruidoso	2007
28	6158	Village of San Ysidro	2006
29	6162	City of Santa Rosa	2007
30	6169	City of Sunland Park	2007
31	6172	Town of Tatum	2007
32	6174	City of Texico	2006
33	6182	Town of Vaughn	2005
34	6182-A	Vaughn Housing Authority	2006
35	6183	Village of Virden	2007
36	6184	Village of Wagon Mound	2006
37	7020	Cuba Independent Schools	2007
38	7022	Des Moines Municipal Schools	2007
39	7028	Espanola Public Schools	2006

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40	7032	Floyd Municipal Schools	2007
41	7034	Gadsden Independent Schools	2008
42	7045	Jemez Valley Public Schools	2005
43	7055	Lovington Municipal Schools	2006
44	7062	Mountainair Public Schools	2007
45	7073	Roy Municipal Schools	2007
46	7087	Vaughn Municipal Schools	2007
47	4013	Eldorado Area Water & Sanitation District	2006
48	4017	Bluewater Water & Sanitation District	2005
49	4019	El Prado Water and Sanitation District	2006
50	4021	Hammond Conservancy District	2007
51	4026	North Central Regional Transit District	2007
52	4029	Northwest NM Regional Solid Waste Authority	2007
53	4031	North Central Solid Waste Authority	2004
54	4036	Santa Cruz Irrigation District	2000
55	4043	San Rafael Water & Sanitation District	2005
56	4046	High Plains Waste Management Association	2002
57	4048	Carlsbad Irrigation District	2006
58	4049	Eastern New Mexico Natural Gas Association, Inc.	2007
59	4066	Anthony Water and Sanitation District	2007
60	4080	Rio San Jose Flood Control District	2004
61	4085	Regional Waste Water Treatment Plant	2005
62	4090	Yah-ta-hey Water & Sanitation District	2005
63	4097	Timberon Water & Sanitation District	2006
64	4098	Ramah Water & Sanitation District	2001
65	7099	Northwest Regional Center Cooperative- REC #2	2005
66	7100	Northern NM Network for Rural Education	2007
67	9001	Region I Housing Authority	2007
68	9002	Region II Housing Authority	2007
69	9003	Region III Housing Authority	2007
70	9004	Region IV Housing Authority	2007
71	9007	Region VII Housing Authority	2007



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**“At Risk” Agencies That Did Not Respond to November 2,
2009 Status Report Deadline**

Line number	Agency #	Name	Year of last audit report
1	803	Eastern Plains Council of Governments	2004
2	4021	Hammond Conservancy District	2007
3	4031	North Central Solid Waste Authority	2004
4	4043	San Rafael Water & Sanitation District	2005
5	4046	High Plains Waste Management Association	2002
6	4048	Carlsbad Irrigation District	2006
7	4066	Anthony Water and Sanitation District	2007
8	4080	Rio San Jose Flood Control District	2004
9	4085	Regional Waste Water Treatment Plant	2005
10	4090	Yah-ta-hey Water & Sanitation District	2005
11	5006	De Baca County	2007
12	5018	Mora County	2007
13	6008	City of Aztec	2006
14	6028	Village of Santa Clara	2007
15	6040	Village of Columbus	2007
16	6046	Village of Cuba	2004
17	6050	Village of Des Moines	2006
18	6058	Village of Encino	2006
19	6081	Village of Grenville	2007
20	6100	Town of Lake Arthur	2002
21	6120	Village of Maxwell	2005
22	6122	Village of Melrose	2007
23	6130	Village of Mosquero	2007
24	6158	Village of San Ysidro	2006
25	6174	City of Texico	2006
26	6182	Town of Vaughn	2005
27	6183	Village of Virden	2007
28	7020	Cuba Independent Schools	2007
29	7028	Espanola Public Schools	2006
30	7032	Floyd Municipal Schools	2007
31	7062	Mountainair Public Schools	2007
32	7087	Vaughn Municipal Schools	2007
33	6046-A	Cuba Housing Authority	2004
34	6182-A	Vaughn Housing Authority	2006