



MACIAS, GUTIERREZ & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS
TIERRA AMARILLA, NEW MEXICO

STATE OF NEW MEXICO

ACEQUIA DE LA CIENEGA

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

Year Ended December 31, 2018

STATE OF NEW MEXICO

ACEQUIA DE LA CIENEGA

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Agreed-Upon Procedures (Tier 3)**

Year Ended December 31, 2018

**STATE OF NEW MEXICO
ACEQUIA DE LA CIENEGA**

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**STATE OF NEW MEXICO
ACEQUIA DE LA CIENEGA**

**Official Roster
at December 31, 2018**

<u>Name</u>		<u>Title</u>
	<u>Commissioners</u>	
Robert R. Romero		Chairman
Quinn Simmons		Secretary
Brenda Dominguez		Treasurer



Macias, Gutierrez
& Co., P.C.

*Certified Public Accountants
Member AICPA, NMSCPA*

P. O. Box 712
Tierra Amarilla, New Mexico 87575
Phone/Fax 575.588.0607

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES (TIER 3)

To: Robert R. Romero, Chairman
Acequia de la Cienega #13003
and
Brian S. Colón, Esq.
New Mexico State Auditor

We have performed the procedures enumerated below, which were agreed to by the Acequia de la Cienega (ADLC) 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, 2018**, included in the accompanying information provided to us by management of the Acequia de la Cienega. The Acequia de la Cienega 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, 2018 included in the accompanying information provided to us by the management of the ADLC. 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 under "Tiered System Reporting Main Page."

We verified the Acequia de la Cienega's revenue calculation and tier determination. The Acequia de la Cienega'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.

• e-mail: jimmymac20@juno.com

- 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 active projects. For Project 14-1818, we examined three disbursements totaling \$69,115.00. For Project 15-0652, we examined two disbursements totaling \$11,987.54.
- 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, 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 active projects. The projects were not intended to be funded in advance but on a reimbursement basis.

4. Procedures

If the project is complete, the Contactor shall determine if there is unexpended balance and whether it was reverted per statute and agreement with the grantor.

Results of Procedures Performed

Project 14-1818 is complete and there is no unexpended balance in agreement with the grantor. Project 15-0652 is not complete and there is an unrequested/unexpended balance of \$18,012.46 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 Acequia incurred costs prior to the submission of requests for funding from the New Mexico Interstate Stream Commission. There were two active projects. For Project 14-1818, we examined three reimbursement requests totaling \$69,115.00. For Project 15-0652, we examined two reimbursement requests totaling \$11,987.54.

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 (I) (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 any 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 Acequia de la Cienega for the year ended December 31, 2018, included in the accompanying information provided to us by management of the Acequia de la Cienega. 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 Acequia de la Cienega, 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.
Tierra Amarilla, New Mexico 87575
March 29, 2019

STATE OF NEW MEXICO
 ACEQUIA DE LA CIENEGA
 Agreed-Upon Procedures (Tier 3)
 For the Year Ended December 31, 2018

Exhibit A

Capital Outlay Project No.	Pay Request	Amount Awarded	Amount Requested/ Received	Actual Amount Expended	Remaining Balance	Actual Legislation	Effective Dates
14-1818-STB		<u>\$ 75,000.00</u>				Laws of 2014, Chapter 66, Section 21, Paragraph 27, to construct, equip and install an electrical pump system and well and make improvements for the acequia de la Cienega in Santa Fe county.	Through 6/30/2018
	1		\$ 5,885.00	\$ 5,885.00	\$ 69,115.00		
	2		26,435.83	26,435.83	42,679.17		
	3		8,202.84	8,202.84	34,476.33		
	4		<u>34,476.33</u>	<u>34,476.33</u>	<u>8,202.84</u>		
			<u>\$ 75,000.00</u>	<u>\$ 75,000.00</u>	<u>\$ -</u>		
15-0652 STB		<u>\$ 30,000.00</u>				Laws of 2015, Chapter 3, Section 27, Paragraph 24, to plan, design, construct and equip improvements to the acequia de La Cienega at camino Capilla Vieja in Santa Fe county.	Through 6/30/2019
	1		\$ 11,987.54	\$ 1,500.00	\$ 18,012.46		
			<u>-</u>	<u>10,487.54</u>	<u>7,524.92</u>		
			<u>\$ 11,987.54</u>	<u>\$ 11,987.54</u>	<u>\$ 18,012.46</u>		

STATE OF NEW MEXICO
 ACEQUIA DE LA CIENEGA
 Agreed-Upon Procedures (Tier 3)
 For the Year Ended December 31, 2018

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
14-1818			<u>\$ 75,000.00</u>							
STB										
	1	5/26/2016	Through 2016	\$ 5,885.00	6/13/2016	5,885.00	12	6/19/2016	\$ 5,885.00	Dennisson Drilling of New Mexico, Inc.
	2	4/26/2018		26,435.83	5/3/2018	26,435.83	72322	5/3/2018	26,435.83	Dennisson Drilling of New Mexico, Inc.
	3	6/12/2018		8,202.84	6/22/2018	8,202.84	75127	7/18/2018	8,202.84	Dennisson Drilling of New Mexico, Inc.
	4	6/26/2018		<u>34,476.33</u>	6/29/2018	<u>34,476.33</u>	74739	7/9/2018	<u>34,476.33</u>	PNM
				<u>75,000.00</u>		<u>75,000.00</u>			<u>75,000.00</u>	
15-0652			<u>\$ 30,000.00</u>							
STB										
	1	6/26/2018		\$ 11,987.54	7/13/2018	\$ 1,500.00	75306	7/23/2018	\$ 1,500.00	William J. Miller Engineers
				-		10,487.54	75305	7/23/2018	<u>10,487.54</u>	CJ Mead Construction
				<u>\$ 11,987.54</u>		<u>\$ 11,987.54</u>			<u>\$ 11,987.54</u>	

**STATE OF NEW MEXICO
ACEQUIA DE LA CIENEGA**

**Schedule of Findings and Responses
Year Ended December 31, 2018**

	<u>Type of Finding *</u>	<u>Prior Year Finding Number</u>	<u>Current Year Finding Number</u>
Current Year Findings:			
None	N/A	N/A	N/A
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
ACEQUIA DE LA CIENEGA**

**Exit Conference
Year Ended December 31, 2018**

EXIT CONFERENCE

The report contents were discussed at a telephonic exit conference held on April 4, 2019 with the following:

Acequia de la Cienega

By telephone:

Robert R. Romero, Chairman
Ana Berry, Bookkeeper

Accounting Firm

James R. (Jim) Macias, CPA