

# **Accounting & Auditing Services, LLC**

**Financial Audits + Agreed Upon Procedures + Tax + Consulting**

**La Acequia Nueva**

**Independent Accountant's Report on Applying Agreed-Upon Procedures**

**For the Fiscal Year Ended December 31, 2018**

**La Acequia Nueva  
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Fiscal Year Ended December 31, 2018**

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**La Acequia Nueva  
Official Roster  
Fiscal Year Ending December 31, 2018**

**Board of Commissioners**

Orlando Romero, Chairman

Lynne Velasco, Secretary

Anne Martinez, Treasurer

**Administrative Staff**

None

## Independent Accountant's Report on Applying Agreed-Upon Procedures

Board of Commissioners

La Acequia Nueva

Pojoaque, New Mexico

and

Brian S. Colon, Esq., New Mexico State Auditor

Santa Fe, New Mexico

I have performed the procedures enumerated below for the La Acequia Nueva (Acequia) for the year ended December 31, 2018, solely to assist in determining compliance with the provisions of the Audit Act for a Tier 3 entity per Section 12-6-3 B (3) NMSA 1978, Section 2.2.2.16 NMAC and Section 6-6-2 (A) NMSA 1978. The procedures were agreed to by the Acequia through the New Mexico Office of the State Auditor. The Acequia's management is responsible for its accounting records and the subject matter. 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 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. Our procedures and findings are as follows

1. Verify the local public body's revenue calculation and tier determination documented on the form provided at [www.osanm.org](http://www.osanm.org) under "Tiered System Reporting Main Page."

According to the Acequia's general ledger, total revenues for the fiscal year ending December 31, 2018 were \$18,333 (excluding a state capital outlay appropriation of \$105,716 from the New Mexico Interstate Stream Commission and pass-through federal grant revenue of \$101,823 from the New Mexico Association of Conservation Districts). Based on this information, the Acequia was properly determined to be a Tier 3 entity for 2018 since their total revenues were less than \$50,000 and they expended the remaining balance of a state capital outlay appropriation during 2018.

2. Perform the following tests on all state-funded capital outlay expenditures:
  - a. Determine that the amount recorded as disbursed agrees to adequate supporting documentation. Verify that amount, payee, date and description agree to the purchase order, contract, vendor's invoice and canceled check, as appropriate.

The capital outlay expenditures for the project work were tested. The amount recorded as disbursed (payee, date and description of purchase) agreed with the contract, invoice, and canceled check.

- b. Determine that cash disbursements were properly authorized and approved in accordance with the budget, legal requirements and established policies and procedures.

The cash disbursements tested were properly authorized and approved in accordance with the project 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 and State Purchasing Regulations (Section 13-1-28 through 13-1-199 NMSA 1978 and 1.4.1 NMAC).

The Acequia advertised an invitation for bids, obtained sealed bids and awarded a contract for the project work in accordance with the State Procurement Code.

- d. Determine the physical existence (by observation) of the capital asset based on expenditures to date.

The completed project work was physically observed. Nothing unusual was noted.

- 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.

The grant agreement with the NMISC did not require any project status reports.

3. If the project was funded in advance, determine if the award balance (and cash balance) appropriately reflects the percentage of completion based on the project schedule and expenditures to date.

The project was not funded in advance. The Acequia was required to submit request for reimbursement forms to the NMISC along with the contractor's invoice and other supporting documentation.

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

The project work was completed and the capital outlay appropriation was fully expended. See the Schedule of Capital Outlay Awards on p. 5.

5. 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 award agreement.

The Acequia used its bank account at the Del Norte Credit Union to account for the cash receipts and disbursements for the project.

6. 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.

On May 9, 2018, the Acequia submitted one Request for Reimbursement Form to the NMISC for \$105,716.14. The NMISC approved the request and paid \$105,716.14 to the Acequia on May 25, 2018. The amount requested in the Request for Reimbursement Form agreed with the contractor's invoice and was supported by costs incurred by the Acequia.

The invoice was not paid by the Acequia prior to the request for reimbursement because the Acequia did not have the necessary funds. The Acequia paid for the invoice after the grant funds were received from the NMISC.

7. The agreed-upon procedures report shall include the capital outlay amount awarded, amount received, amount expended, the remaining balance, and the actual legislation and effective dates for each capital outlay appropriation for which there were expenditures during the fiscal year.

See the Schedule of Capital Outlay Awards on p. 5.

8. If information comes to the IPA's attention (regardless of materiality) indicating any fraud, illegal acts, noncompliance, or any internal control deficiencies, such instances must be disclosed 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) NMAC.

No findings were noted during the performance of the Tier 3 agreed-upon procedures.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the subject matter. 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 management and others with the Acequia, the New Mexico State Auditor, New Mexico Interstate Stream Commission and the New Mexico State Legislature and is not intended to be and should not be used by anyone other than these specified parties.

*Accounting & Auditing Services, LLC*

Accounting & Auditing Services, LLC

Santa Fe, New Mexico

May 1, 2019

**La Acequia Nueva  
Schedule of Findings and Responses  
Fiscal Year Ending December 31, 2018**

**Status of Prior Year Findings**

Finding 2015-001. Late Agreed-Upon Procedures Contract and Report – Resolved.

Finding 2017-001. Non-Submission of Monthly Project Status Reports – Resolved.

**Current Year Findings**

None.

**La Acequia Nueva**  
**Schedule of Capital Outlay Awards**  
**For the Fiscal Year Ending December 31, 2018**

	<u>1</u>
Amount Awarded	\$ 105,716.14
Received and Expended in 2018	<u>(105,716.14)</u>
Remaining Balance	<u>\$ -</u>

**Agreement Provisions**

**1 - Capital Outlay Agreement Between the NM Interstate Stream Commission and Acequia Nueva  
(Fund 14-2156-19 Capital Appropriation Project)**

Legislative Authority: New Mexico Laws of 2014, Chapter 66, Section 37, Paragraph 2

Date of Agreement: July 18, 2017

Project Description: To plan, design, renovate, construct and equip improvements  
to acequias statewide.

Estimated Project Cost: \$130,014.45

State Grant Amount: \$105,716.14

Agreement termination/reversion date: June 30, 2018



**La Acequia Nueva  
Exit Conference  
Fiscal Year Ending December 31, 2018**

On May 1, 2019, the following officials held an exit conference and discussed the results of the agreed upon procedures and the contents of this report:

La Acequia Nueva

Anne Martinez, Treasurer

Accounting & Auditing Services, LLC

Steve Archibeque, CPA, Audit Manager