

**State of New Mexico**  
**Acequia del Monte del Rio Chiquito**  
**2015 Tier 3 Agreed Upon Procedures Report**  
**December 31, 2015**

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**Official Roster**

As of December 31, 2015

Commission Chair – John MacArthur

Treasurer – Art Coca

Secretary – Ted Medina

Mayordomo – Vacant

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

Timothy Keller  
New Mexico State Auditor  
and  
John MacArthur, Commission Chair  
Acequia del Monte del Rio Chiquito  
Talpa, NM

We have performed the procedures enumerated below for the Acequia del Monte del Rio Chiquito (Acequia) for the year ended December 31, 2015, solely to assist in determining compliance with the capital project agreement pursuant to New Mexico Laws of 2014, Chapter 66, Section 21, Paragraph 33. 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."

The Accountant verified the Acequia's calculation and determination as a Tier 3 agreed upon procedures engagement.

2. Test 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.

All of the cash disbursements for the capital award projects were tested. The amounts disbursed agreed with the supporting documentation. The amount, payee, date and description of the purchase agreed with the vendor's invoice, contract and canceled check.

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

All of the disbursements were properly authorized and approved and 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, obtained bids and quotes where necessary, and entered into contracts and purchase agreements in accordance with its procurement policies and applicable state laws and regulations.

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

The completed project was observed on May 4, 2016.

- 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 amounts on the reimbursement forms agreed with the general ledger and other supporting documentation. Status reports were not required by the terms of the agreements with the OSE/ISC. The Acequia submitted the required budgets and reimbursement forms for the projects to the OSE/ISC.

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 projects were not funded in advance. The Acequia was required to submit reimbursement forms to the OSE/ISC upon completion of work on the project. The Acequia paid for its project expenditures after the Acequia received checks from the OSE/ISC.

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 Acequia expended a total of \$50,000 out of a total budget of \$50,000 in the fiscal year ended December 31, 2015. The final reimbursement of \$4,956 was received and paid to the contractor in February of 2016 for services performed in December 2015. No amounts remain to be reverted.

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 capital project agreement did not require the funds to be held in a separate bank account.

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.

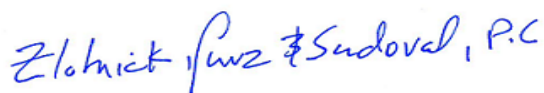
The Acequia filed Request for Reimbursement Forms with the OSE/ISC based on unpaid invoices submitted to the Acequia by vendors who had performed work on Acequia projects. The costs were not paid by the Acequia prior to the request for reimbursement because the Acequia did not have the necessary funds. The Acequia paid for its project expenditures after the checks were received from the OSE/ISC. A finding was not considered necessary since the Acequia complied with the OSE/ISC's reimbursement procedures requirements.

7. 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 (1)(3)(C) NMAC.

No information came to the accountant's attention indicating any fraud, illegal acts, noncompliance, or any internal control deficiencies.

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 a part thereof, including the Statement of Capital Outlay Award. 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 the management of Acequia del Monte del Rio Chiquito, the New Mexico State Auditor, the Department of Finance and Administration and the New Mexico State Legislature and is not intended to be and should not be used by anyone other than those specified parties.



Zlotnick, Laws & Sandoval, PC

May 9, 2016

### Statement of Capital Outlay Award

Amount Awarded for Project (Note 1)	\$ 50,000
Amount Received/Requested (Note 2)	50,000
Amount Expended as of 12/31/15	<u>50,000</u>
Remaining Balance	<u>\$ -0-</u>

**Note 1:** The capital project funds were appropriated pursuant to New Mexico Laws of 2014, Chapter 66, Section 21, Paragraph 33. The agreement with the Interstate Stream Commission was dated December 6, 2014. The agreement terminates on June 30, 2018 or sooner if the project is completed prior to that time.

**Note 2:** The final request for reimbursement of \$4,956 was processed and the contractor paid in February 2016 for services performed in December 2015.

## Schedule of Findings and Responses

Prior Year Findings: None

Current year Findings: None



## Exit Conference

On May 9, 2016, an exit conference was held with the following individuals to discuss the results of the agreed upon procedures and the contents of this report in a closed meeting:

Acequia del Monte del Rio Chiquito

John MacArthur, Commission Chair

Art Coca, Treasurer

Zlotnick, Laws & Sandoval, PC

Brian Laws, CPA