

La Acequia de la Plaza de Dixon

**Independent Accountant's Report
on Applying Agreed Upon Procedures (TIER 3)**

For the Year Ended December 31, 2019



**Office of the State Auditor
Brian S. Colón, Esq.**

This Page Intentionally Left Blank

**State of New Mexico
La Acequia de la Plaza de Dixon
Table of Contents
For the Year December 31, 2019**

Official Roster	ii
Independent Accountant’s Report on Applying Agreed Upon Procedures	1
Schedule of Capital Outlay Awards	5
Schedule of Findings and Responses	6
Exit Conference	7

**State of New Mexico
La Acequia de la Plaza de Dixon
Official Roster
December 31, 2019**

Board of Commissioners

<u>Name</u>	<u>Title</u>
Cathy Underwood	Chairman
Yolanda Jaramillo	Treasurer
Marcia Brenden	Secretary



State of New Mexico Office of the State Auditor

CONSTITUENT SERVICES
(505) 476-3821

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED UPON PROCEDURES

Members of the Board of Commissioners
La Acequia de la Plaza de Dixon

We have performed the procedures enumerated below for the La Acequia de la Plaza de Dixon (Acequia) for the year ended December 31, 2019, 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 and Section 2.2.2.16 NMAC. The procedures were agreed to by the Acequia through the New Mexico Office of the State Auditor (OSA). The Acequia 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. **Procedure** - Verify the local public body's revenue calculation and tier determination documented on the form provided at www.osanm.org under "Tiered System Reporting Main Page."

Results of Procedure 1

We verified the Acequia's revenue calculation and tier determination. The Acequia's total revenue for year ended December 31, 2019 totaled \$11,599 (excluding capital outlay grants). Based on this information, the Acequia was properly determined to be a Tier 3 entity for 2019 since their total revenues were less than \$50,000 and they expended more than state capital outlay appropriation from the New Mexico Interstate Stream Commission (ISC) during 2019.

2. **Capital Outlay and Procurement**

Test all state-funded capital outlay expenditures.

- a. **Procedure** - 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.

Results of Procedure 2a

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 as applicable. There was one project, 15-0639 (Reauthorization D4070). We examined all disbursements which in total were \$44,138.

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

Results of Procedure 2b

We determined that disbursements were properly authorized and approved in compliance with the budget, legal requirements and established policies and procedures.

- c. **Procedure** - 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).

Results of Procedure 2c

We determined that the bid process, 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).

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

Results of Procedure 2d

Given the recent health precautions, physical observation/contact has been limited during this time period in which the AUPs are being conducted, and alternative procedures are deemed sufficient. Alternative procedures included obtaining engineer's certificate of final completion, reliance on the oversight per ISC and entity's observation, and obtaining photographs of the completed project from the Acequia.

- 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 Procedure 2e

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. **Procedure** - 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.

Results of Procedure 3

The project was not funded in advance but on a reimbursement basis.

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

Results of Procedure 4

The project is complete. We determined there was an unexpended balance; however, the remaining balance is approved to be expended through June 30, 2021 per amendment to Capital Appropriation Project (15-0639) from the ISC dated July 8, 2019.

5. **Procedure** - 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.

Results of Procedure 5

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

6. **Procedure** - 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.

Results of Procedure 6

The requests for payments were properly supported by costs incurred by Acequia. See the Schedule of Capital Outlay Awards on Pg.5 of this report.

The invoices were not paid by the Acequia prior to the request for payment forms. The Acequia paid for the invoices after the grant checks were received from the ISC.

7. **Procedure** - 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.

Results of Procedure 7

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.

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 Tier 3 agreed upon procedures. 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 of the La Acequia de la Plaza de Dixon, OSA, New Mexico Office of the State Engineer, the New Mexico Department of Finance and Administration -Local Government Division, and the New Mexico State Legislature and is not intended to be and should not be used by anyone other than these specified parties.



Office of the State Auditor
April 29, 2020

State of New Mexico
La Acequia de la Plaza de Dixon
Exhibit 1 – Schedule of Capital Outlay Awards
For Year Ended December 31, 2019

	<u>Note 1</u>
Amount awarded	\$ 65,000
Amount received by Acequia	60,169
Amount expended by Acequia in prior years	16,031
Amount expended by Acequia in current year	<u>44,138</u>
Remaining balance	<u><u>\$ 4,831</u></u>

Agreement Provisions

Note 1: Grant agreement between ISC and the Acequia [15-0639] Capital Appropriations Project - Plan, Design and install phase 2 infrastructure improvements to Acequia.

Legislative Authority: Laws of 2015, Chapter 3, Section 27, Paragraph 11

Legislative and Effective Dates: November 13, 2015

Agreement Termination / Reversion Date: June 30, 2021 per amendment to Capital Appropriation Project (15-0639) from the ISC dated July 8, 2019.

**State of New Mexico
La Acequia de la Plaza de Dixon
Schedule of Findings and Responses
For Year Ended December 31, 2019**

Current Year Findings:
None Noted

Prior Year Findings:
None Noted

State of New Mexico
La Acequia de la Plaza de Dixon
Exit Conference
For Year Ended December 31, 2019

On April 29, 2020, an exit conference was held with the following individuals to discuss the results of the agreed upon procedures and the contents of this report.

Attendees

<u>Name</u>	<u>Title</u>
Liza Kerr, CPA	Audit Manager, OSA
Joe Cruz	Audit Supervisor, OSA
Veryl Begay	Senior Auditor, OSA
Yolanda R. Jaramillo	Treasurer, La Acequia de la Plaza Dixon