

ACEQUIA DE CECILIA

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

**For the Fiscal Year Ended
FEBRUARY 28, 2017**

ACEQUIA DE CECILIA

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**ACEQUIA DE CECILIA
OFFICIAL ROSTER
Fiscal Year Ending February 28, 2017**

Board of Commissioners

Alfonso Suazo, Chairman

Mayordomo

Sammy Joe Cordova

Administrative Staff

Victoria Suazo-Chanza, Secretary/Treasurer

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

Alfonso Suazo, Chairman
Acequia de Cecilia
and
Honorable Tim Keller
New Mexico State Auditor
Santa Fe, New Mexico

We have performed the procedures enumerated below which were agreed to by Acequia de Cecilia (Acequia) and the New Mexico State Auditor (the specified parties), solely to assist users in evaluating the Acequia's financial reporting relating to its compliance with Section 12-6-3 B (3) NMSA 1978, Section 2.2.2.16 NMAC, as of and for the year ended February 28, 2017. The Acequia's management is responsible for its financial reporting as described above. 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 those parties specified in the 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.

1. Verify the local public body's revenue calculation and tier determination documented on the form provided at www.osanm.org under "Tier System Reporting Main Page."

We verified the Acequia's revenue calculation and tier determination documented on the form provided at www.osanm.org under "Tier System Reporting Main Page" and it was determined that the Acequia falls under the Tier 3 procedures.

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

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 invoice, contracts and cancelled check copies, as appropriate. The Acequia does not use purchase order forms.

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

We looked at the Acequia request for reimbursement form and observed commissioner and treasurer approval of the disbursement, therefore we determined 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 and State Purchasing Regulations (Section 13-1-28 through 13-1-199 NMSA 1978 and 1.4.1 NMAC).

We looked at the Request for Bids announcement, contractors contacted and responses to request for bids, and Project Information description as part of the Request for Bids and determined 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).

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

We determined the physical existence by observation on 7/28/2017 of the capital asset based on expenditures to date.

- e) Verify the 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.

We determined that the status reports were submitted to the state agency per terms of the agreement and amounts in the status report agree with supporting documentation.

ASSURANCE TAX ACCOUNTING PC

Financial Audits - Agreed Upon Procedures - Tax - Consulting

P.O. Box 27213

Albuquerque, NM 87125

Office: (505) 620-8526

Fax: (866) 800-6970

johnnymangu@msn.com

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 reimbursement forms to the Office of the State Engineer Interstate Stream Commission (OSE/ISC) upon completion of work on the project. The Acequia paid for its project expenditures after the Acequia received payment 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.

Acequia de Cecilia was awarded a \$30,400 state-funded Capital Appropriation, and for the current audit period there was a capital outlay expenditure of \$10,250. For the 2015 audit period there was a capital outlay expenditure of \$20,000. The unexpended balance for the Capital Appropriation is \$150. The Reversion Date is 06/30/2017. The NM Interstate Stream Commission proposed a reversion for the remaining balance of \$150 on February 21, 2017.

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 check/wire received from the Office of State Engineer was deposited in the Acequia's checking account at Wells Fargo Bank. The capital award agreement did not require a separate fund or separate non-interest bearing bank account to deposit the amount received. On the same day that the funds were received from the OSE, the disbursement to the vendor was completed.

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.

For the project, the Acequia filed Request for Reimbursement Form with the NM Interstate Stream Commission (NMISC). The request was supported by invoice submitted to the Acequia for work done on the ditch repair project. The cost 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 its project expenditure after the payment was received from the Office of State Engineer (NMISC). A finding was not

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considered necessary since the Acequia complied with the NMISC's reimbursement procedures.

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(I)(3)(C) NMAC

No information came to our attention indicating any fraud or illegal acts.

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 on the Acequia de Cecilia's financial reporting to the State Auditor as described above. 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 Acequia de Cecilia, the New Mexico Office of the State Auditor, the New Mexico Office Legislature, the New Mexico Department of Finance and Administration and is not intended to be and should not be used by anyone other than those specified parties.

Assurance Tax Accounting P.C.

Assurance Tax Accounting P.C.

Albuquerque, New Mexico

July 28, 2017

ACEQUIA DE CECILIA
Exhibit 1 – Schedule of Capital Outlay Awards to Acequia
Fiscal Year Ending February 28, 2017

	Note 1
Amount Awarded for Project	\$30,400
Amount Received by Acequia	30,400
Amount Expended by Acequia	<u>30,250</u>
Remaining Balance (Reverted on 02/21/2017)	<u>\$150</u>

Note 1: **Capital Appropriation Project Agreement between the New Mexico Office of the State Engineer (OSE), NM Interstate Stream Commission (NMISC), and Acequia de Cecilia.**

Legislative Authority: NM Laws of 2013, Chapter 226, Section 29, Paragraph 15

Date of Agreement with NMISC: April 1, 2014

Project Description: To construct improvements, including terracing, replacement of conveyance and control system, stabilization and riparian habitat restoration, to rehabilitate the Cecilia ditch in Gallina, Rio Arriba County.

Estimated Project Cost: \$30,400

Agreement termination/Reversion date: June 30, 2017

ACEQUIA DE CECILIA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED FEBRUARY 28, 2017

1. Current Year Findings

NONE

2. Prior Year Findings

2015-001	Resolved
2015-002	Resolved

ACEQUIA DE CECILIA
EXIT CONFERENCE
YEAR ENDED FEBRUARY 28, 2017

The report contents were discussed at an exit conference held on July 28, 2017 with the following in attendance:

Acequia de Cecilia

Victoria Suazo-Chanza	Secretary/Treasurer
Sammy Joe Cordova	Mayordomo

Assurance Tax Accounting PC

Johnny Mangu, MBA, CPA, CGFM, CGMA	Principal
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