



MACIAS, GUTIERREZ & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ESPANOLA, NEW MEXICO
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STATE OF NEW MEXICO

ACEQUIA DE LA POSESION

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

Year Ended December 31, 2010

STATE OF NEW MEXICO

ACEQUIA DE LA POSESION

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

Year Ended December 31, 2010

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

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

**Official Roster
at December 31, 2010**

<u>Name</u>		<u>Title</u>
	<u>Board of Directors</u>	
Curtis Frank		President
Peter Sandoval		Secretary
Jose D. Sandoval		Treasurer
	<u>Staff</u>	
Jose D. Sandoval		Mayordomo



Macias, Gutierrez
& Co., P.C.

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

To: Curtiss Frank, President
Acequia de la Posecion
and
Honorable Timothy Keller
New Mexico State Auditor

We have performed the procedures enumerated below for the Acequia de la Posecion (Acequia) for the year ended December 31, 2010 solely to assist the Acequia in demonstrating compliance with the provisions of Laws of 2003, Chapter 429, Section 13, Paragraph 3; Laws of 2005, Chapter 347, Section 35, Paragraph 6; Laws of 2006, Chapter 111, Section 43, Paragraph 16; Laws of 2007, Chapter 2, Section 25, Paragraph 15; Laws of 2008, Chapter 92, Section 57, Paragraph 22; and, Laws of 2008, Chapter 83, Section 320, as set forth in the accompanying Projects Schedules – Summary and Detail, Exhibits A and B. The Association was determined to be a Tier 3 entity under the Audit Act, Section 12-6-3 B (4) NMSA 1978 and Section 2.2.2.16 NMAC. The procedures were agreed to by the Acequia de la Posecion through the Office of the New Mexico State Auditor. The Acequia de la Posecion management is responsible for the organization's accounting records. 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. Our procedures and results of procedures performed follow.

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. 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.
- 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).

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- 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.
- 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 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) 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.

2. 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

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

3. Procedures

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

Results of Procedures Performed

The project is complete and there is no unexpended balance is in agreement with the grantor.

4. 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 project was approved on a reimbursement basis, no separate fund or bank account was required.

5. 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.

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, or any internal control deficiencies. However, see the accompanying Schedule of Findings and Responses for a noncompliance issue related to Late Report submission.

* * * * *

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 accompanying Projects Schedules – Summary and Detail, Exhibits A and B. 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 la Posecion, 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 those specified parties.

Macias, Gutierrez & Co., CPAs, P. C.

Macias, Gutierrez & Co., CPAs, P. C.
Española, New Mexico
May 5, 2015

STATE OF NEW MEXICO
 ACEQUIA DE LA POSECION
 Agreed-Upon Procedures (Tier 3)
 For the Year Ended December 31, 2010

Exhibit A

Capital Outlay Project No.	Pay Request	Amount Awarded	Amount Requested/ Received	Actual Amount Expended	Remaining Balance	Actual Legislation	Effective Dates
03-0298		\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ -	Laws of 2003, Chapter 429, Section 13, Paragraph 3 - To repair the Truchas acequia in Truchas in Rio Arriba county	Through 6/30/2008
05-1075		15,000.00	15,000.00	15,000.00	-	Laws of 2005, Chapter 347, Section 35, Paragraph 6 - To plan, design and construct improvements to the acequia de la Posecion in Rio Arriba county	Through 6/30/2010
06-1044		25,000.00	25,000.00	25,000.00	-	Laws of 2006, Chapter 111, Section 43, Paragraph 16 - To plan, design and construct improvements to the acequia de la Posecion in Rio Arriba county	Through 6/30/2010
07-3279		23,800.00	23,800.00	23,800.00	-	Laws of 2007, Chapter 2, Section 25, Paragraph 15 - To plan, design and construct improvements to the acequia de la Posecion in Rio Arriba county	Through 6/30/2011
08-4062		15,000.00	15,000.00	15,000.00	-	Laws of 2008, Chapter 92, Section 57, Paragraph 22 - To plan, design, construct and line the acequia de la Posecion in Truchas in Rio Arriba county	Through 6/30/2012
08-5292		-	-	-	-	Laws of 2008, Chapter 83, Section 320 - The unexpended balance of the appropriation to the interstate stream commission in Subsection 3 of Section 13 of Chapter 429 of Laws of 2003 to repair the Truchas acequia in Truchas in Rio Arriba county shall not be expended for the original purpose but is changed to design and construct improvements, including a pipeline, for the acequia de la Posecion in Truchas	Through 6/30/2010
	1	<u>\$ 88,800.00</u>	<u>\$ 88,800.00</u>	<u>\$ 88,800.00</u>	<u>\$ -</u>		

STATE OF NEW MEXICO
 ACEQUIA DE LA POSECION
 Agreed-Upon Procedures (Tier 3)
 For the Year Ended December 31, 2010

Grant No.	Pay Request	Invoice/ Request Date	Amount Awarded	Amount Requested/ Received	Date Received	Invoice Amount	Cashier's Check Number	Check Date	Actual Amount Expended	Vendor Paid
03-0298			\$ 10,000.00							
05-1075			15,000.00							
06-1044			25,000.00							
07-3279			23,800.00							
08-4062			15,000.00							
08-5292			-							
	1	6/14/2010	<u>\$ 88,800.00</u>	<u>\$ 88,800.00</u>	7/20/2010	<u>\$ 88,800.00</u>	870805574	7/20/2010	<u>\$ 88,800.00</u>	Interstate Stream Commission

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

**Schedule of Findings and Responses
Year Ended December 31, 2010**

	<u>Type of Finding *</u>	<u>Prior Year Finding Number</u>	<u>Current Year Finding Number</u>
Current Year Findings:			
Late Report	D	N/A	2010-1
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 POSECION**

**Schedule of Findings and Responses
Year Ended December 31, 2010**

2010-1

Late Report

Criteria

Office of the State Auditor, Rule 2010, Section 2.2.2.16.H, requires that local public bodies with a fiscal year other than June 30 fiscal year end must submit the agreed-upon procedures report no later than five months after the fiscal year end.

Condition

The Acequia de la Posecion has a December 31 year end but the agreed-upon procedures report for the year ended December 31, 2010 was submitted more than five months after the fiscal year end.

Cause

The Acequia de la Posecion was not aware of the agreed-upon procedures requirements until recently.

Effect

The Acequia de la Posecion has not complied with Office of the State Auditor, Rule 2010, Section 2.2.2.16.H.

Recommendation

We recommend that the Acequia de la Posecion submit all future agreed-upon procedures reports by the required deadline.

Entity Response

"The Acequia de la Posecion will take appropriate measures to insure that future agreed-upon procedures reports will be completed and submitted by the required deadline."

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

**Exit Conference
Year Ended December 31, 2010**

EXIT CONFERENCE

The report contents were discussed at an exit conference held on May 11, 2015 with the following in attendance:

Acequia de la Posecion

Peter Sandoval, Board Secretary

Accounting Firm

James R. (Jim) Macias, CPA