

Accounting & Auditing Services, LLC

Financial Audits + Agreed Upon Procedures + Tax + Consulting

Acequia de el Rincon

Independent Accountant's Report on Applying Agreed-Upon Procedures

For the Fiscal Year Ended December 31, 2015

**Acequia de el Rincon
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Fiscal Year Ended December 31, 2015**

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**Acequia de el Rincon
Official Roster
Fiscal Year Ending December 31, 2015**

Acequia Commissioners

Arsenio Trujillo, President

Patrick L. Colestock, Treasurer

Martha E. Trujillo, Secretary

Alex Trujillo, Mayordomo

Administrative Staff

None

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Independent Accountant's Report on Applying Agreed-Upon Procedures

Arsenio Trujillo, President, Acequia de el Rincon
and
Timothy Keller, New Mexico State Auditor

I have performed the procedures enumerated below for the Acequia de el Rincon (Acequia) for the year ended December 31, 2015, solely to assist in determining compliance with the provisions of the Audit Act for a Tier 3 entity per Section 12-6-3 B (4) 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. 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 project 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. The Acequia does not use purchase order forms.

- 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 the Acequia's procurement 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 obtained bids and awarded a contract to Quezada Trees for tree removal services and another contract to Roybal Enterprises General Contractors, Inc. for the installation of 12" turnout gates with headwall and 10' pipe 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 work done of the project was observed on January 15, 2016. The new turnout gates with headwall were observed and the Acequia appeared to be clear of obstructive trees and vegetation.

- 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 Acequia submitted three Request for Payment forms and Project Status Reports to the New Mexico Office of the State Engineer (NMOSE). The amounts requested in the payment forms and status reports agreed with the Acequia's general ledger and supporting documentation.

- f. 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 disbursement request forms to the NMOSE along with the contractor's invoices and other supporting documentation.

- g. 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. As of December 31, 2015, the unexpended balance of the grant was \$0.28 which will be reverted to the State. See the Schedule of Capital Outlay Awards on p. 6 of this report.

- h. 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 grant agreement did not mandate a separate bank account. The Acequia de el Rincon used its checking account at the Wells Fargo Bank to account for the grant receipts and check disbursements for the project expenditures.

- i. 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 submitted three Request for Reimbursement forms to the NMOSE for services rendered by the contractors. The reimbursement requests were supported by three invoices from the contractors totaling \$68,720.36 (#1 dated 11/30/14 for \$8,906.96 (tree removal); #2 dated 1/7/15 for \$18,092.76 (tree removal); and #3 dated 2/3/15 for \$40,078.13 (turnout gates with headwalls). The invoices were not paid by the Acequia prior to the request for payment forms because the Acequia did not have the necessary funds. The Acequia paid for the invoices after the grant checks were received from NMOSE.

- 2. 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 that meets the Tier 3 criteria.

See the Schedule of Capital Outlay Awards on p. 6 of this report.

3. Other

- a. 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 findings were noted during the agreed-upon procedures.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the Tier 3 agreed upon procedures. 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 management and others with the Acequia, the New Mexico State Auditor, Department of Finance and Administration – Local Government Division, New Mexico Office of the State Engineer and the 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
January 15, 2016

**Acequia de el Rincon
Schedule of Findings and Responses
Fiscal Year Ending December 31, 2015**

Status of Prior Year Findings

Not applicable.

Current Year Findings

None.

**Acequia de el Rincon
Schedule of Capital Outlay Awards
For the Fiscal Year Ending December 31, 2015**

	<u>1</u>
Amount Awarded for Project	\$ 67,000.00
Amount Received and Expended by Acequia	<u>(66,999.72)</u>
Remaining Balance	<u>\$ 0.28</u>

Agreement Provisions

**1 - Grant Agreement Between the Interstate Stream Commission and the Acequia de el Rincon
Fund 14-1819 Capital Appropriation Project**

Legislative Authority: NM Laws of 2014, Chapter 66, Section 21, Paragraph 28

Date of Agreement: October 27, 2014

Project Description: For improvements to the Acequia de el Rincon in Pojoaque in Santa Fe County

Estimated Project Cost: \$67,000

State Grant Amount: \$67,000

Agreement termination/reversion date: June 30, 2018

**Acequia de el Rincon
Exit Conference
Fiscal Year Ended December 31, 2015**

On January 15, 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:

Acequia de el Rincon

Patrick Colestock, Treasurer

Accounting & Auditing Services, LLC

Steve B. Archibeque, CPA, Engagement Manager