

**STATE OF NEW MEXICO  
ACEQUIA DE LA AGUA CALIENTE**

**Independent Accountants' Report on  
Applying Agreed-Upon Procedures**

**For the Year Ended  
December 31, 2016**

James L. Hartogenesis, CPA LLC

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Certified Public Accountant

**STATE OF NEW MEXICO**  
**ACEQUIA DE LA AGUA CALIENTE**  
DECEMBER 31, 2016

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**STATE OF NEW MEXICO  
ACEQUIA DE LA AGUA CALIENTE  
OFFICIAL ROSTER  
DECEMBER 31, 2016**

**Board of Directors**

| <u>Name</u>      | <u>Title</u> |
|------------------|--------------|
| David Wheeler    | President    |
| Lawrence Montano | Treasurer    |
| James Peterson   | Secretary    |

**Administration**

|                 |           |
|-----------------|-----------|
| Eva Artschwager | Mayordoma |
|-----------------|-----------|

**INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED-UPON PROCEDURES**

Board of Directors  
Acequia de la Agua Caliente  
and  
Honorable Timothy M. Keller  
New Mexico State Auditor  
Santa Fe, New Mexico

I have performed the procedures enumerated below which were agreed to by Acequia de la Agua Caliente (the "Acequia") and the New Mexico State Auditor (the specified parties), solely to assist users in evaluating the Acequia's financial reporting relating to its capital outlay award and its compliance with Section 12-6-3(B) NMSA 1978 and Section 2.2.2.16 NMAC, as of and for the year ended December 31, 2016. The Acequia 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, I 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.

In accordance with Tier 3 of the Audit Act – Section 12-6-3 B (3) NMSA 1978 and Section 2.2.2.16 NMAC, my procedures and associated results of those procedures are as follows:

**Procedure:**

Verify the local public body's revenue calculation and tier determination.

**Results of Procedure:**

The Acequia had operating revenues of \$686 and state capital outlay expenditures of \$29,220, which requires Tier 3 agreed-upon procedures.

### **Procedures:**

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.
  - b) Determine that the cash disbursements were properly authorized and approved in accordance 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).
  - 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:**

100% of capital outlay disbursements were tested. For all disbursements that were tested, the amount recorded as disbursed agreed to adequate supporting documentation, and the amount, payee, date and description agreed to the purchase order, contract, vendor's invoice and canceled check, where applicable. There were no violations of the NM Procurement Code. The capital outlay award was for engineering and repair services, therefore the procedure for testing for physical existence of the asset is not an applicable procedure. All status reports required were submitted to the Capital Project Monitoring System.

### **Procedure:**

2. 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:**

The project was not funded in advance, therefore this procedure is not applicable.

**Procedure:**

3. 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:**

The project was not funded in advance, therefore this procedure is not applicable.

**Procedure:**

4. 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:**

The capital outlay award did not require a separate bank account, therefore this procedure is not applicable.

**Procedure:**

5. 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:**

100% of the reimbursement requests were tested and were properly supported by costs incurred by the Acequia, and all costs were incurred by the Acequia prior to the request for each reimbursement. Vendors were paid by the Acequia within 15 days of receipt of funds.

**Procedure:**

6. 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)(3)(C) NMAC.

**Results of Procedure:**

Nothing else was noted.

I was not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on the Acequia's financial reporting to the State Auditor as described above. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the information and use of Acequia de la Agua Caliente, New Mexico Office of the State Auditor, the New Mexico Legislature, and 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.

*James L. Hartogensis, CPA LLC*

Albuquerque, New Mexico

March 15, 2017

**SCHEDULE OF  
CAPITAL PROJECTS**



**STATE OF NEW MEXICO**  
**ACEQUIA DE LA AGUA CALIENTE**  
**SCHEDULE OF CAPITAL PROJECTS**  
**YEAR ENDED DECEMBER 31, 2016**

| Project<br>Number | Project Name  | Amount<br>Awarded | Amount<br>Received | Amount<br>Expended | Remaining<br>Balance | Legislation/<br>Effective<br>Dates                           |
|-------------------|---|-------------------|--------------------|--------------------|----------------------|--|
| 15-0642           | Acequia de la Agua Caliente<br>Acequia Improvements | \$ 30,000         | \$ 29,220          | \$ 29,220          | \$ 780               | Laws of 2015, Ch. 3/Sec. 27/Para. 14<br>7/1/2015 - 6/30/2019 |

**STATE OF NEW MEXICO**  
**ACEQUIA DE LA AGUA CALIENTE**  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2016

**1. Current Year Findings**

None.

**2. Prior Year Findings**

None.

**STATE OF NEW MEXICO**  
**ACEQUIA DE LA AGUA CALIENTE**  
EXIT CONFERENCE  
YEAR ENDED DECEMBER 31, 2016

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

**Acequia de la Agua Caliente**

|                  |           |
|------------------|-----------|
| Lawrence Montano | Treasurer |
| Cecilia Montano  | Member    |

**James L. Hartogenesis, CPA LLC**

|                               |           |
|-------------------------------|-----------|
| James Hartogenesis, CPA, CGFM | Principal |
|-------------------------------|-----------|