

# **Acequia de las Joyas**

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

**For Year Ended December 31, 2019**



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

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**State of New Mexico**  
**Acequia de las Joyas**  
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**State of New Mexico  
Acequia de las Joyas  
Official Roster  
December 31, 2019**

**Board of Commissioners**

<b><u>Name</u></b>	<b><u>Title</u></b>
Edward Romero	Mayordomo
Ella Twary	Secretary/Treasurer/Commissioner
Luana Berger	Commissioner
Doug Hefele	Commissioner



# 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 Commission  
Acequia de Las Joyas

We have performed the procedures enumerated below for the Acequia de las Joyas (the 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](http://www.osanm.org) under "Tiered System Reporting Main Page."

### Results of Procedure 1

We verified the Acequia's revenue calculation and determination as a Tier 3 agreed upon procedure engagement from bank statements received from the Acequia.

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 the amount recorded as disbursed agrees to adequate supporting documentation. We verified that amount, payee, date and description agree to the purchase order, contract, vendor's invoice and canceled check, as appropriate.

- 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**

The Acequia is not required to submit a budget to the Department of Finance and Administration – Local Government Division. However, a project budget is required to be submitted by the terms of the agreements with the New Mexico Interstate Stream Commission (NMISC). We determined the disbursements were properly authorized and approved and in accordance with the project 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 the bid process, purchase orders, contracts and agreements were processed in accordance with the New Mexico Procurement Code and State Purchasing Regulations.

- 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 emails containing pictures of the completed project along with brief explanations from the Acequia's management.

- e. **Procedure** - 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 the amounts on the reimbursement forms agreed with the supporting documentation provided by the Acequia. All the required status reports were submitted.

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**

We determined the project was not funded in advance.

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 was completed in December 2019 and there were no unexpended balances.

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**

The Capital Appropriation Project Agreement with the NMISC did not require a separate fund or separate bank account.

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**

We determined reimbursement requests were properly support by costs incurred by the recipient by verifying invoice amounts.

Costs were paid by the Acequia after the request for reimbursement in accordance with the Capital Appropriation Project Agreement with the NMISC.

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 Acequia, the OSA, the New Mexico Interstate Stream Commission, 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*

Office of the State Auditor  
May 21, 2020



**State of New Mexico**  
**Acequia de las Joyas**  
**Exhibit 1 – Schedule of Capital Outlay Awards**  
**For the Year Ended December 31, 2019**

	<u><b>Note 1</b></u>
Amount awarded to Acequia (11/2/18)	\$ 32,220
Amount received by Acequia	32,220
Amount expended by Acequia in prior years	1,905
Amount expended by Acequia in 2019	<u>30,315</u>
Remaining balance	<u>\$ -</u>

**Agreement Provisions**

**Note 1:** New Mexico Interstate Stream Commission Fund C2394 Capital Appropriation Project to construct, purchase and install improvements, including plates and pipe.

**Legislative Authority:** Laws of 2018, Chapter 80, Section 25, Paragraph 23

**Legislative and Effective Dates:** September 11, 2018 and November 2, 2018

**Agreement Termination / Reversion Date:** June 30, 2022, or upon full expenditure of the award

**State of New Mexico**  
**Acequia de las Joyas**  
**Schedule of Findings and Responses**  
**For the Year Ended December 31, 2019**

**Current Year Findings:**

No findings were noted

**Prior Year Findings:**

No prior year findings were reported

**State of New Mexico**  
**Acequia de las Joyas**  
**Exit Conference**  
**For the Year Ended December 31, 2019**

On May 21, 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>
Ella Twary	Secretary/Treasurer, Acequia de las Joyas
Natalie Cordova, CPA	Deputy State Auditor
Liza Kerr, CPA	Audit Manager
Darla Brewer, CFE	Audit Supervisor
Anne Kelbley	Senior Auditor