



HINKLE + LANDERS

Certified Public Accountants + Business Consultants

ACEQUIA DE LOS PINOS

**Independent Accountant's Report
On Applying Agreed-Upon Procedures
(Tier 3)
For The Year Ended June 30, 2018**

**STATE OF NEW MEXICO
ACEQUIA DE LOS PINOS
INDEPENDENT ACCOUNTANT’S REPORT
ON APPLYING AGREED-UPON PROCEDURES (TIER 3)**

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**STATE OF NEW MEXICO
ACEQUIA DE LOS PINOS
INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES (TIER 3)**

**OFFICIAL ROSTER
As of June 30, 2018**

Commissioners

Leonard Casaus
Bruce Washburne
Eduardo Aragon
Frank Ramirez

Chief Commissioner
Secretary
Treasurer
Mayordomo

INDEPENDENT ACCOUNTANT’S REPORT
ON APPLYING AGREED-UPON PROCEDURES (TIER 3)

To the Specified Users of the Report:

Commissioners of
Acequia de Los Pinos
Cuba, NM

and

Mr. Brian Colón, New Mexico State Auditor
NM DFA—Local Government Division
NM State Legislature

We have performed the procedures enumerated below, which were agreed to by Acequia de Los Pinos (Acequia) and the New Mexico State Auditor (included in the specified parties), solely to assist you in determining compliance with provisions of the Audit Act for a Tier 3 entity per Section 12-6-3 B (3) NMSA 1978 Section 2.2.2.16 NMAC and Section 6-6-2 (A) NMSA 1978 as of and for the year ended June 30, 2018. 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 Acequia de Los Pinos (Acequia) and the New Mexico State Auditor (included in the specified parties). 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 are as follows:

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| <p>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.”</p> |
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The Acequia’s revenue calculation and tier determination were documented on the form provided at www.osanm.org under the “Tier System Reporting Main Page” and it was determined that the Acequia is under the Tier 3 reporting procedures.

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| <p>2. Test all state-funded capital outlay expenditures</p> |
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| <p>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.</p> |
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The payment from the State of New Mexico, Department of Finance and Administration was reviewed and agreed with the request for reimbursement form, the vendor’s invoice, contract, and canceled check. The Acequia does not use purchase orders.

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| <p>b) Determine that the cash disbursements were properly authorized and approved in accordance with the budget, legal requirements and established policies and procedures.</p> |
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Approved Capital Outlay Appropriation Project Acequia Request for reimbursements form was reviewed with proper authorization by the New Mexico Interstate Stream Commission. The approved budget was also reviewed.

- c) Determine 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).

Acequia representatives contacted four contractors and provided reasonable explanations for its selection of the contractor to do the work. Contracts and agreements were also reviewed with nothing unusual noted in the contracting process.

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

The existence of the contractor's work was verified after the work was completed for the expenditures approved by the New Mexico Interstate Stream Commission.

- 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 status report was verified and reviewed. The report was submitted with the one request for payment.

- 3. If the project was funded in advance, determine if the award balance and cash balance appropriately reflects the percentage of completion based on project schedule and expenditures to date.**

The project was not funded in advance. Payments are made after the work is completed.

- 4. If the project is complete, determine if there is an unexpected balance and whether it was reverted per statute and agreement with the grantor.**

The project is ongoing with the reversion of any unused funds from the second award of \$30,916 required by June 30, 2019. The funds from the first award of \$29,084 that were required to be reverted June 30, 2018 were fully expended

- 5. Determine whether cash received from the fund was accounted for in a separate fund or bank account that is non-interest bearing if so required by the capital outlay agreement.**

The Acequia maintains a bank account that is non-interest bearing for its capital project funds per agreement with the New Mexico Interstate Stream Commission.

- 6. Determine whether reimbursement requests were properly supported by costs incurred by the recipient. Determine whether costs were paid by the local public body prior to the request for reimbursement.**

Reimbursement requests were supported by vendor invoices and the vendor was not paid until the funds were received by the recipient.

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 indications of any fraud, illegal acts, noncompliance, or any internal control deficiencies came to the IPA's attention during performance of the Agreed Upon Procedures.

We were not engaged and did not conduct an examination or review, the objective of which would be an expression of an opinion or conclusion 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 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 rests solely with Acequia de Los Pinos's management and the Office of the State Auditor which are described above for the purpose for which this report has been requested and not for any other purpose.

This report is intended solely for the information and use of the specified users, as identified above in the heading of this report, the New Mexico Department of Finance and Administration – Local Government Division and the New Mexico State Legislature, and is not intended to be and should not be used by anyone other than these specified parties.



Hinkle + Landers, P.C.
Albuquerque, NM
January 21, 2019

**Acequia de Los Pinos
Schedule of Capital Outlay Awards and Expenditures
June 30, 2018**

Amounts awarded for project	
Fund (14-1808) Capital Appropriation Project	\$ 29,084
Fund (15-0648) Capital Appropriation Project	30,916
Amount received by Acequia	58,575
Amount expended by Acequia	<u>(58,575)</u>
Remaining balance	<u>\$ 1,425</u>

Note 1: Capital Appropriation Project Agreements 14-1808 and 15-0648 between the New Mexico Office of State Engineer (OSE), New Mexico Interstate Stream Commission (NMISC) and Acequia de Los Pinos

Legislative Authority: NM Laws of 2013, Chapter 226, Section 29, Paragraph 22 and NM Laws 2014, Chapter 66, Section 21, Paragraph 17

Dates of Agreements: June 21, 2017

Project Description: To plan, design and construct improvements to Los Pinos ditch in Sandoval County

Estimated Project Cost: \$60,000

Agreement Termination/Reversion Dates: June 30, 2018 and June 30, 2019.

**STATE OF NEW MEXICO
ACEQUIA DE LOS PINOS
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended June 30, 2018**

Current Year Findings

2018-001–LATE REPORT

Statement of Condition

The agreed upon procedures report for the Acequia fiscal year ended June 30, 2018 was not submitted by the December 15, 2018 due date. The report was submitted February 1, 2019.

Criteria

OSA Rule 2.2.2.10.I.(4) establishes a due date of December 15, 2018 for submission of this agreed upon procedures report to the Office of the State Auditor.

Effect

The report was not available for the New Mexico State Auditor and other state agencies to review on a timely basis.

Cause

Key deliverables needed to conduct the agreed upon procedures were not received on a timely basis.

Recommendation

We recommend the Acequia submit the required deliverables in time for the auditors to complete their procedures to ensure a timely completion of the agreed upon procedures.

Management's Response

Management agrees with the late report finding.

The request and contract to conduct the 2018 agreed-upon procedures was not approved by the state auditor until November 29, 2018.

Designated Officials and Management's Planned Corrective Actions:

Finding resolved timeline:

Effective with the Acequia's next agreed-upon procedures report.

Designated of person responsible for meeting this deadline:

Commission's secretary.

**STATE OF NEW MEXICO
ACEQUIA DE LOS PINOS
EXIT CONFERENCE
For the Year Ended June 30, 2018**

An exit conference was held in a closed session on January 21, 2019, in Albuquerque, NM. In attendance were the following:

Representing the Acequia:

Bruce Washburne
Eduardo Aragon

Secretary
Treasurer

Representing Hinkle + Landers, PC:

Farley Vener, CPA, CGMA, CFE

President