



MACIAS, GUTIERREZ & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ESPANOLA, NEW MEXICO
www.mgandc.com

STATE OF NEW MEXICO

ACEQUIA DE SOMBRILLO

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

Year Ended December 31, 2016

STATE OF NEW MEXICO

ACEQUIA DE SOMBRILLO

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

Year Ended December 31, 2016

**STATE OF NEW MEXICO
ACEQUIA DE SOMBRILLO**

**Table of Contents
December 31, 2016**

		<u>Page</u>
Title Page		i
Table of Contents		ii
Official Roster		iii
Independent Accountants' Report on Applying Agreed-Upon Procedures (Tier 3)		iv-vi
	<u>Exhibit</u>	
Project Schedule - Summary	A	1
Project Schedule - Detail	B	2
Schedule of Findings and Responses		3
Exit Conference		4

**STATE OF NEW MEXICO
ACEQUIA DE SOMBRILLO**

**Official Roster
at December 31, 2016**

<u>Name</u>		<u>Title</u>
	<u>Commissioners</u>	
Frank Lopez		Chairman
Hari Sigh Khalsa		Secretary
Dennis Quintana		Treasurer



Macias, Gutierrez
& Co., P.C.

*Certified Public Accountants
Member AICPA, NMSCPA*

1302 Calle De La Merced, Suite A
Española, New Mexico 87532
505.747.4415
Fax 505.747.4417

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

To: Frank Lopez, Chairman
Acequia de Sombrillo
and
Honorable Timothy M. Keller
New Mexico State Auditor

We have performed the procedures enumerated below for the Acequia de Sombrillo (Acequia) for the year ended December 31, 2016, solely to assist the Acequia in demonstrating compliance with the provisions of Laws of 2013, Chapter 226, Section 29, Paragraph 28, as set forth in the accompanying Projects Schedules – Summary and Detail, Exhibits A and B. The Acequia 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 Sombrillo through the Office of the New Mexico State Auditor. The Acequia de Sombrillo's 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 findings follow.

1. Before beginning the procedures below, the IPA must verify the local public body's revenue calculation and tier determination using the form provided at www.osanm.org under "Financial Audits" and "What IPA Services are Required."

Results of Procedures Performed

We verified the Acequia's revenue calculation and tier determination. The Acequia's cash basis revenue was less than the **Tier 3** upper limit and expended all its capital outlay.

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.

• e-mail: jimmymac20@juno.com

2. 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).
- 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. For Project 13-1595, we examined two disbursements totaling \$6,298. The Acequia utilized \$1,498 of its own funds, as Capital Outlay appropriation funding was only \$4,800.
- 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.

3. 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

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

4. 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 one project (13-1595) is complete and there is no unexpended balance is in agreement with the grantor.

5. 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 accounts were required.

6. 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 the one reimbursement request was properly supported and the Acequia incurred costs prior to the submission of the request for funding from the New Mexico Interstate Stream Commission. For Project 13-1595, we examined one reimbursement request totaling \$4,800.

7. 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, noncompliance or any internal control deficiencies.

* * * * *

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 Project 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 Sombrillo, 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
January 3, 2017

STATE OF NEW MEXICO
 ACEQUIA DE SOMBRILLO
 Agreed-Upon Procedures (Tier 3)
 For the Year Ended December 31, 2016

Exhibit A

<u>Capital Outlay Project No.</u>	<u>Pay Request</u>	<u>Amount Awarded</u>	<u>Amount Requested/ Received</u>	<u>Amount Expended</u>	<u>Remaining Balance</u>	<u>Actual Legislation</u>	<u>Effective Dates</u>
13-1595 STB	1	\$ 4,800.00	\$ 4,800.00	\$ 4,800.00	\$ -	Laws of 2013, Chapter 226, Section 29, Paragraph 28, to plan, design and construct improvements, including erosion and flood control, to the acequia de Sombrio in Santa Fe county.	Through 6/30/2017

STATE OF NEW MEXICO
 ACEQUIA DE SOMBRILLO
 Agreed-Upon Procedures (Tier 3)
 For the Year Ended December 31, 2016

Exhibit B

Grant No.	Pay Request	Invoice/ Request Date	Amount Awarded	Amount Requested/ Received	Date Received	Invoice Amount	Check Number	Check Date	Actual Amount Expended	Vendor Paid
13-1595			<u>\$ 4,800.00</u>							
STB										
	1	4/11/2016		<u>4,800.00</u>	4/29/2016	1,700.00	1294	3/1/2016	1,700.00	O.R Communications Contractor, LLC
						<u>4,598.00</u>	1296	3/14/2016	<u>4,598.00</u>	Rio Pueblo Builders, LLC
						<u>\$ 6,298.00</u>			<u>\$ 6,298.00</u>	

**STATE OF NEW MEXICO
ACEQUIA DE SOMBRILLO**

**Schedule of Findings and Responses
Year Ended December 31, 2016**

	<u>Type of Finding *</u>	<u>Prior Year Finding Number</u>	<u>Current Year Finding Number</u>
Current Year Findings:			
None	N/A	N/A	N/A
Follow-up on Prior Year Findings:			
None	N/A	N/A	N/A

An agreed-upon procedures report was not required for the year ended December 31, 2015

*** Legend for Findings:**

- A. Fraud
- B. Illegal Act(s)
- C. Internal Control Deficiency(ies)
- D. Noncompliance

**STATE OF NEW MEXICO
ACEQUIA DE SOMBRILLO**

**Exit Conference
Year Ended December 31, 2016**

EXIT CONFERENCE

The report contents were discussed at a telephonic exit conference held on January 3, 2017 with the following:

Acequia de Sombrillo

By telephone:

Dennis Quintana, Treasurer

Accounting Firm

James R. (Jim) Macias, CPA