

Accounting & Auditing Services, LLC

Financial Audits + Agreed Upon Procedures + Tax + Consulting

Acequia del Barranco Blanco Association

Independent Accountant's Report on Applying Agreed-Upon Procedures

For the Fiscal Year Ending December 31, 2016

**Acequia del Barranco Blanco Association
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Fiscal Year Ending December 31, 2016**

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**Acequia del Barranco Blanco Association
Official Roster
Fiscal Year Ending December 31, 2016**

Board of Commissioners

Jose Carlos Ortiz, Chairman

Roy G. Trujillo, Treasurer

Alfred J. Trujillo, Secretary

Mayordomo

Donald Mathiasen

District Personnel

None

Independent Accountant's Report on Applying Agreed-Upon Procedures

Jose Carlos Ortiz, Chairman
Acequia del Barranco Blanco Association
and
Timothy Keller, New Mexico State Auditor

I have performed the procedures enumerated below for the Acequia del Barranco Blanco Association (Association) for the year ending December 31, 2016, 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 Association through the New Mexico Office of the State Auditor. The Association'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. Verify the local public body's revenue calculation and tier determination documented on the form provided at www.osanm.org under "Tiered System Reporting Main Page."

Based on a review of the Association's general ledger, total revenues for the fiscal year ending December 31, 2016 were \$8,751 (excluding the capital outlay grants) and the Association received and expended three capital outlay grants from the NM Interstate Stream Commission (NMISC). Based on this information, the Association was properly determined to be a Tier 3 entity for FY16 since their total revenues were less than \$10,000 and they expended the remaining balance of two capital outlay grants during the fiscal year.

2. Test all state funded capital outlay appropriations:
 - 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 grant project were tested. The amounts disbursed agreed with the supporting documentation. The amount, payee, date and description of the purchase agreed with the contractor's invoice, contract, canceled check and purchase order form.

- 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 Association'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 Association issued and advertised a request for bids and quotes for the construction project (plan, design and installation of an infiltration gallery in the Tesuque river) and selected contractors in accordance with its procurement policy and the NM Procurement Code.

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

The completed project work at the Acequia was observed on February 15, 2017. Nothing unusual was noted.

- 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 Association submitted the required project budget forms, request for reimbursement forms and paper periodic/final reports to the NM Interstate Stream Commission (NMISC) as required by the grant agreements. The amounts noted in the status reports agreed with the Association's general ledger and supporting documentation.

- 3. 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 Association was required to submit Request for Reimbursement forms to the NMISC along with the contractor's invoices and supporting documentation.

- 4. 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, 2016, the capital outlay grants of \$71,000 and \$65,000 were fully expended on the project. Under the cost share grant agreement for \$68,754.60, \$14,850.98 was not expended and reverted to the State on June 30, 2016. See the Schedule of Capital Outlay Awards on p. 5 of this report.

5. 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 Association opened a non-interest bearing checking account at the Wells Fargo Bank to account for the grant receipts and check disbursements for the project expenditures.

6. 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 Association submitted ten Request for Reimbursement forms to the NMISC for services rendered by the contractors. The reimbursement requests were supported by ten invoices from five contractors totaling \$197,398. The Association paid the contractors' invoices after the grant checks were received from the NMISC. See the Schedule of Capital Outlay Awards on p. 5.

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 (1)(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 Association, the New Mexico State Auditor, the Department of Finance and Administration – Local Government Division, the 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.

Accounting & Auditing Services, LLC

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Santa Fe, New Mexico

February 15, 2017

**Acequia del Barranco Blanco
Schedule of Findings and Responses
Fiscal Year Ending December 31, 2016**

Status of Prior Year Findings

Not applicable.

Current Year Findings

None.

**Acequia del Barranco Blanco Association
Schedule of Capital Outlay Awards
For the Fiscal Year Ending December 31, 2016**

	1	2	3
Amount Awarded for Project	\$ 71,000.00	\$ 65,000.00	\$ 68,754.60
Amount Received and Expended in 2015	(8,096.71)	-	-
Amount Received and Expended in 2016	(62,903.29)	(65,000.00)	(53,903.62)
Remaining Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,850.98</u>

Agreement Provisions

1 - Grant Agreement Between the NM Interstate Stream Commission and the Acequia del Barranco Blanco Association (Fund 14-1814 Capital Appropriation Project)

Legislative Authority: NM Laws of 2014, Chapter 66, Section 21, Paragraph 23

Date of Agreement: October 16, 2014

Project Description: To plan, design and construct improvements, including an infiltration gallery, to the Acequia del Barranco Blanco in the Pueblo of Pojoaque in Santa Fe County.

Estimated Project Cost: \$197,398.

State Grant Amount: \$71,000

Agreement termination/reversion date: June 30, 2018

2 - Grant Agreement Between the NM Interstate Stream Commission and the Acequia del Barranco Blanco Association (Fund 15-0653 Capital Appropriation Project)

Legislative Authority: NM Laws of 2015, Chapter 3, Section 27, Paragraph 25

Date of Agreement: March 18, 2016

Project Description: To plan, design and construct improvements to the Acequia del Barranco Blanco in Santa Fe County.

Estimated Project Cost: \$197,398.

State Grant Amount: \$65,000

Agreement termination/reversion date: June 30, 2019

3 - Acequia Rehabilitation Cost Share Grant Agreement Between the NM Interstate Stream Commission and the Acequia del Barranco Blanco Association

Legislative Authority: NM Laws of 2015, Chapter 101, p. 83, Lines 1-10 (Irrigation Works Const. Fund)

Date of Agreement: March 18, 2016

Project Description: The construction of an infiltration gallery and related improvements for the Acequia del Barranco Blanco in Pojoaque, NM.

Estimated Project Cost: \$197,398.

State Grant Amount: \$68,754.60 (90%)

State Loan Amount: \$7,639.40 (10%)

Agreement termination/reversion date: June 30, 2016

Acequia del Barranco Blanco Association
Exit Conference
Fiscal Year Ending December 31, 2016

On February 15, 2017, 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 del Barranco Blanco Association

Roy Trujillo, Treasurer

Accounting & Auditing Services, LLC

Steve B. Archibeque, CPA