

Acequia Madre de Las Vegas

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

For Year Ended April 30, 2020



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

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**State of New Mexico
Acequia Madre de Las Vegas
Table of Contents
For Year Ended April 30, 2020**

Official Roster	ii
Independent Accountant’s Report on Applying Agreed Upon Procedures	1
Schedule of Capital Outlay	5
Schedule of Findings and Responses	6
Exit Conference	7

State of New Mexico
Acequia Madre de Las Vegas
Official Roster
April 30, 2020

Board of Commissioners

<u>Name</u>	<u>Title</u>
Steve Lucero	Chairman, Secretary
Frank Montano	Treasurer
Gilbert Ulibarri	Mayordomo



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 Board of Commissioners
Acequia Madre de Las Vegas
23 East Lucero Lane
Las Vegas, NM 87701

We have performed the procedures enumerated below for the Acequia Madre de Las Vegas (Acequia) for the year ended April 30, 2020, 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'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. **Procedure** - 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."

Results of Procedure 1

We verified the Acequia's revenue calculation and tier determination utilizing the information provided by the Acequia on forms provided by OSA and the Acequia's bank statements.

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 the amounts, payees, dates and descriptions agreed to the purchase order, contract, vendor's invoice and canceled checks, 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

We determined cash disbursements were properly authorized and approved in accordance with the 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 Acequia followed the New Mexico Procurement Code and State Purchasing Regulations by requesting three quotes for work to be performed and that appropriate contracts were obtained from the contractors along with budgets.

- 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 pictures of the project taken by the Acequia documenting the work performed and the finished project sent via email.

- 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 Procedure 2e

We determined status reports were submitted as required for reimbursement and per the terms of the agreement.

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

The project was not funded in advance but on a reimbursement basis.

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 is complete. The 90/10 Acequia Rehabilitation Cost Share Grant Agreement had an unexpended balance of \$7,244. The Capital Appropriation Project Fund agreement had an unexpended balance of \$4,927. Any required reversions would be made by the NMISC as the unexpended balance remained at the NMISC.

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

We determined all funds were accounted for in a separate, non-interest bearing 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 that reimbursement requests were properly supported by costs incurred by the recipient. Costs were supported by receipts, budgets, and reimbursement requests.

We determined costs were not paid by the Acequia prior to the request for

reimbursement in accordance with the terms of the agreements.

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

We did not identify an indication of fraud, illegal acts, noncompliance, or any internal control deficiencies during the course of the agreed upon procedures.

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 Office of the State Auditor, 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 26, 2020

State of New Mexico
Acequia Madre de Las Vegas
Exhibit 1 – Schedule of Capital Outlay Awards
For Year Ended April 30, 2020

	Note 1	Note 2	Note 3	Total
Amount awarded to the Project	\$ 25,000	\$ 20,967	\$ 20,000	\$ 65,967
Amount received by the Acequia	25,000	13,723	15,073	53,796
Amount expended in prior years	-	-	-	-
Amount expended by Acequia	25,000	13,723	15,073	\$53,796
Remaining Balance	\$ -	\$ 7,244	\$ 4,927	\$ 12,171

Note 1: Capital Appropriation Project Fund C2389 \$25,000

Legislative Authority: Laws of 2018, Chapter 80, Section 25, Paragraph 18

Legislative and Effective Dates: September 11, 2018 and October 30, 2018

Agreement Termination / Reversion Date: June 30, 2022

Note 2: 90/10 Acequia Rehabilitation Cost Share Grant Agreement \$20,967

Legislative Authority: NMSA Section 72-14-3 (1978, and Laws of 2018, Chapter 73, Page 77, Lines 12-25 and Page 78, Line 1

Effective Dates: January 31, 2019

Agreement Termination / Reversion Dates: June 30, 2019

Note 3: Capital Appropriation Project Fund D9430 \$20,000

Legislative Authority: Laws of 2019, Chapter 278, Section 16, Paragraph 1

Effective Dates: July 15, 2019

Agreement Termination / Reversion Dates: June 30, 2020

**State of New Mexico
Acequia Madre de Las Vegas
Schedule of Findings and Responses
For Year Ended April 30, 2020**

	<u>Status</u>	<u>Finding Number</u>
Current Year Findings: No Matters were reported		
Prior Year Findings: No Matters were reported		

State of New Mexico
Acequia Madre de Las Vegas
Exit Conference
For Year Ended April 30, 2020

On May 26, 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>
Darla Brewer, CFE	Audit Supervisor, OSA
Liza Kerr, CPA	Audit Manager, OSA
Steve Lucero	Chairman, Acequia Madre de Las Vegas