

**STATE OF NEW MEXICO  
LAS ACEQUIAS DE PLACITAS**

**Independent Accountants' Report on  
Applying Tier 5 Agreed-Upon Procedures**

**For the Year Ended  
December 31, 2019**



**STATE OF NEW MEXICO  
LAS ACEQUIAS DE PLACITAS  
DECEMBER 31, 2019**

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**STATE OF NEW MEXICO  
LAS ACEQUIAS DE PLACITAS  
OFFICIAL ROSTER  
DECEMBER 31, 2019**

**Board of Commissioners**

Name	Title
Bert DeLara	President
Carolyn Kennedy	Treasurer
Jon Gregg	Secretary



**INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED-UPON PROCEDURES**

To: Board of Directors  
Las Acequias de Placitas  
and  
Brian S. Colón, Esq.  
New Mexico State Auditor  
Santa Fe, New Mexico

I have performed the procedures enumerated below which were agreed to by State of New Mexico Las Acequias de Placitas and the New Mexico State Auditor (the specified parties), solely to assist users in evaluating Las Acequias de Placitas' financial reporting relating to its Cash, Capital Assets, Revenues, Expenditures, Journal Entries, Budget, and capital outlay, and its compliance with Section 12-6-3(B) NMSA 1978 and Section 2.2.2.16 NMAC, as of and for the year ended December 31, 2019. Las Acequias de Placitas is responsible for its financial reporting and compliance as described above. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, I 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.

In accordance with Tier 5 of the Audit Act – Section 12-6-3 B (5) NMSA 1978 and Section 2.2.2.16 NMAC, my procedures and associated findings are as follows:

**1. REVENUE DETERMINATION**

**Procedures**

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."

**Findings**

Revenue was \$77,135 from operations and \$89,758 capital outlay funds were expended which required Tier 5 agreed-upon procedures for Las Acequias de Placitas.

## **2. CASH**

### **Procedures**

a) Determine whether bank reconciliations are being performed in a timely manner and whether all bank and investment statements for the fiscal year are complete and on-hand. For purposes of performing my procedures "timely" means completion of the bank reconciliations within one month after the last day of the reporting month and "complete" means that statements for bank and investment accounts are all accounted for by the organization.

b) Test at least 30% of bank reconciliations for accuracy. Also, trace ending balances to the general ledger, supporting documentation and the financial reports submitted to Department of Finance & Administration - Local Government Division (DFA-LGD). For purposes of performing my procedures "accuracy" means that reconciling items agree to deposit slips and subsequent bank or investment statements, and the reconciliations are mathematically correct.

c) Determine whether the local public body's financial institutions have provided it with the 50% of pledged collateral on all uninsured deposits as required by Section 6-10-17 NMSA 1978, NM Public Money Act, if applicable.

### **Findings**

All reconciliations were completed and all bank statements were on-hand. Bank reconciliations were completed timely and were accurate. Pledged collateral was not required.

## **3. CAPITAL ASSETS**

### **Procedures**

Verify that the local public body is performing a yearly inventory as required by Section 12-6-10 NMSA 1978.

### **Findings**

Las Acequias de Placitas performed a yearly inventory as required by Section 12-6-10 NMSA 1978, and the inventory was certified as correct.

## **4. REVENUE**

### **Procedures**

Identify the nature and amount of revenue from sources by reviewing the budget, agreements, rate schedules, and underlying documentation.

a) Perform an analytical review; test actual revenue compared to budgeted revenue for the year for each type of revenue.

Select a sample of revenue equal to at least 30% of the total dollar amount and test the following attributes:

b) Amount recorded in the general ledger agrees to the supporting documentation and the bank statement.

c) Proper recording of classification, amount, and period per review of supporting documentation and the general ledger. Perform this revenue work on the same accounting basis that the local public body keeps its accounting records on, cash basis, modified accrual basis, or accrual basis.

### **Findings**

Revenue was analytically tested with no exceptions. 13 receipts totaling \$74,051 were tested. All receipts tested were agreed to deposits, billing reports or other supporting documentation, and the general ledger without exception.

## **5. EXPENDITURES**

### **Procedures**

Select a sample of cash disbursements equal to at least 30% of the total dollar amount and test the following attributes:

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) and Regulations Governing the Per Diem and Mileage Act (2.42.2 NMAC).

## **Findings**

33 disbursements were tested totaling \$57,655. Invoices were matched to all disbursements with no exceptions. Every disbursement tested was approved. The agency is in compliance with both the Per Diem and Mileage Act and state procurement.

## **6. JOURNAL ENTRIES**

### **Procedures**

Test all non-routine journal entries, adjustments, and reclassifications posted to the general ledger for the following attributes:

- a) Journal entries appear reasonable and have supporting documentation.
- b) The local public body has procedures that require journal entries to be reviewed and there is evidence the reviews are being performed.

### **Findings**

100% of the journal entries were tested. All entries were reasonable and had supporting documentation. Las Acequias de Placitas has implemented a policy for approving journal entries and 100% of the journal entries tested were approved.

## **7. BUDGET**

### **Procedures**

Obtain the original fiscal year budget and all budget adjustments made throughout the fiscal year and perform the following test work:

- a) Verify, through a review of the minutes and correspondence, that the original budget and subsequent budget adjustments were approved by the local public body's governing body and DFA-LGD.
- b) Determine if the total actual expenditures exceeded the final budget at the legal level of budgetary control; if the answer is yes, report a compliance finding.
- c) From the original and final approved budgets and general ledger, prepare a schedule of revenues and expenditures – budget and actual on the budgetary basis used by the local public body (cash, accrual or modified accrual basis) for each individual fund.

## **Findings**

Las Acequias de Placitas prepared a budget and obtained DFA certification, and provided board resolutions for the original budget and budget adjustment. Actual expenditures did not exceed budgeted expenditures.

## **8. CAPITAL OUTLAY APPROPRIATIONS**

### **Procedures**

Perform the following tests on all state-funded capital outlay expenditures:

- 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.
- b) Determine that the cash disbursements were properly authorized and approved in accordance 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 and State Purchasing Regulations (Section 13-1-28 through 13-1-199 NMSA 1978 and 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 charged with oversight per the terms of the agreement and verify that the amounts in the status report agree with the general ledger and other supporting documentation.
- f) 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.
- g) If the project is complete, determine if there is an unexpended balance and whether it was reverted per statute and the agreement with the grantor.
- h) 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.
- i) 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.



## **Findings**

All capital outlay disbursements were agreed to supporting documentation with no exceptions, and all were approved and in compliance with legal requirements and established policies and procedures. Bids were obtained and the procurement was conducted in accordance with the NM Procurement Code. Physical existence was verified, status reports were submitted, and all amounts were agreed to agency records. The project was not funded in advance and was not completed as of December 31, 2019. Reimbursement requests were properly supported by incurred costs with no exceptions.

## **7. OTHER**

### **Procedures**

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.

### **Findings**

The agreed-upon procedures report was not submitted to the Office of the State Auditor by the due date of May 3, 2020. See item 2020-001 in the accompanying schedule of findings and responses.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. I was not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion on Las Acequias de Placitas' financial reporting and compliance as described above. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the information and use of State of New Mexico Las Acequias de Placitas, New Mexico Office of the State Auditor, the New Mexico Legislature, and the New Mexico Department of Finance and Administration Local Government Division and is not intended to be and should not be used by anyone other than those specified parties.

*James L. Hartogensis, CPA LLC*

Albuquerque, New Mexico  
June 23, 2020

**STATE OF NEW MEXICO**  
**LAS ACEQUIAS DE PLACITAS**  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (CASH BASIS)  
YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<b>REVENUES:</b>				
Water sales	\$ 75,000	\$ 75,000	\$ 77,027	\$ 2,027
Miscellaneous	700	700	105	(595)
Interest Income	5	5	3	(2)
Grant revenue	65,000	290,000	89,758	(200,242)
	<u>65,000</u>	<u>290,000</u>	<u>89,758</u>	<u>(200,242)</u>
<b>Total Revenues</b>	<u>\$ 140,705</u>	<u>\$ 365,705</u>	<u>\$ 166,893</u>	<u>\$ (198,812)</u>
<b>EXPENDITURES:</b>				
Administrative	\$ 50	\$ 50	\$ -	\$ 50
Transportation	200	200	-	200
Utilities	900	900	625	275
Bookkeeping	4,500	4,500	3,719	781
Lab work	220	220	49	171
Office supplies	800	800	369	431
Office equipment	500	500	195	305
System parts and supplies	15,000	15,000	4,288	10,712
Postage and delivery	350	350	527	(177)
Subscriptions and dues	1,000	1,000	419	581
Operator fee	8,000	8,000	11,853	(3,853)
Water meters	2,600	2,600	7,094	(4,494)
Labor cost	22,500	22,500	13,818	8,682
Software & readers	900	900	-	900
Insurance	1,900	1,900	1,605	295
AUP or audit	2,160	2,160	2,427	(267)
Attorney	4,000	4,000	2,161	1,839
Equipment rental	2,000	2,000	3,923	(1,923)
Conservation fee	600	600	285	315
Miscellaneous	280	280	153	127
Mayordomo fee	7,000	7,000	5,629	1,371
Capital outlay	65,000	290,000	89,758	200,242
	<u>65,000</u>	<u>290,000</u>	<u>89,758</u>	<u>200,242</u>
<b>Total expenditures</b>	<u>\$ 140,460</u>	<u>\$ 365,460</u>	<u>\$ 148,897</u>	<u>\$ 216,563</u>

**STATE OF NEW MEXICO**  
**LAS ACEQUIAS DE PLACITAS**  
**YEAR-END REPORT SUBMITTED TO DFA**  
**YEAR ENDED DECEMBER 31, 2019**

**MDWCA: Las Acequias de Placitas**  
**Mailing Address: PO Box 811, Placitas, NM, 87043**  
**Email address: cjkenedy@comcast.net**  
**Phone number: 505-867-2853**

**Calendar Year**  
**2019**

Estimated	APPROVED BUDGET	1st QR: Jan - Mar	2nd QR: Apr - Jun	3rd QR: Jul - Sept	4th QR: Oct -Dec	Year to Date(YTD) Totals	YTD (over)/under BUDGET	% of Budget
<b>Beginning Cash balance</b>	<b>\$ 42,737.42</b>							
<b>REVENUES (General Fund)</b>								
Water Sales	75,000	17,502	17,688	19,261	22,577	\$ 77,026.84	\$ (2,026.84)	103%
Service Charges						\$ -	\$ -	-
Membership dues						\$ -	\$ -	-
Penalties and Fees						\$ -	\$ -	-
Interest	5	1	1	1	1	\$ 2.51	\$ 2.49	50%
Miscellaneous	700			105		\$ 105.00	\$ 595.00	15%
<b>REVENUE TOTALS</b>	<b>\$ 75,705</b>	<b>\$ 17,502</b>	<b>\$ 17,688</b>	<b>\$ 19,366</b>	<b>\$ 22,578</b>	<b>\$ 77,134</b>	<b>\$ (1,429)</b>	<b>102%</b>
<b>EXPENDITURES (General Fund)</b>								
Administrative Cost	50					\$ -	\$ 50	0%
Transportation	200					\$ -	\$ 200	
Electricity & Other Utilities	900	228	85	270	43	\$ 625	\$ 275	69%
Bookkeeping Fees	4,500	1,222	638	1,381	478	\$ 3,719	\$ 781	83%
Lab Work	220	49				\$ 49	\$ 171	
Office Supplies & Expenses	800	36	89	27	217	\$ 369	\$ 431	46%
Office Equipment	500	250			(55)	\$ 195	\$ 305	
System Parts, Materials and Supplies	6,858	1,338	485	2,214	251	\$ 4,288	\$ 2,570	63%
Postage & Delivery	527	65	184	133	145	\$ 527	\$ (0)	100%
Subscription/Dues	1,000	(35)			454	\$ 419	\$ 581	42%
Taxes						\$ -	\$ -	-
Operator Fee	11,853	3,285	1,019	4,119	3,430	\$ 11,853	\$ (0)	100%
Water Meters & Supplies	8,300	2,351	2,413	1,459	871	\$ 7,094	\$ 1,206	85%
Labor Cost	18,645	4,018	2,468	5,151	2,181	\$ 13,818	\$ 4,827	74%
Software + Readers	900					\$ -	\$ 900	0%
Insurance	1,900	1,605				\$ 1,605	\$ 295	84%
AUP or Audit	2,427	270	2,158			\$ 2,427	\$ (0)	100%
PS-Attorney	4,000	2,161				\$ 2,161	\$ 1,839	54%
Equipment Rental	4,000	653	1,564	1,006	700	\$ 3,923	\$ 77	98%
Conservation Fee	600	54	58	73	101	\$ 285	\$ 315	48%
Miscellaneous	280		59	80	14	\$ 153	\$ 127	55%
Mayordomo Fee	7,000	1,126	1,126	1,689	1,689	\$ 5,629	\$ 1,371	80%
<b>TOTAL EXPENDITURES</b>	<b>\$ 75,460</b>	<b>\$ 18,673</b>	<b>\$ 12,343</b>	<b>\$ 17,603</b>	<b>\$ 10,520</b>	<b>\$ 59,139</b>	<b>\$ 16,321</b>	<b>78%</b>
<b>TOTAL GENERAL FUND to include Beginning cash</b>	<b>\$ 42,982</b>							
<b>Revenues (non-operating)</b>								
SAP.. Appropriation Capital outlay	\$ 225,000			\$ 17,993	\$ 71,765	\$ 89,758	\$ 135,242	
State Grants								
Federal Grants								
Other	\$ 65,000							
Other								
<b>Total Revenues (non-operating)</b>	<b>\$ 290,000</b>			<b>\$ 17,993</b>	<b>\$ 71,765</b>	<b>\$ 89,758</b>	<b>\$ 135,242</b>	
<b>Expenditures (non-operating)</b>								
Capital Outlay	\$ 225,000			\$ 17,993	\$ 71,765	\$ 89,758	\$ 135,242	
Payments								
Other	\$ 65,000							
Other								
<b>Total Expenditure (non-operating)</b>	<b>\$ 290,000</b>		\$ -	<b>\$ 17,993</b>	<b>\$ 71,765</b>	<b>\$ 89,758</b>	<b>\$ 200,242</b>	
<b>Total (Non-operating)</b>	<b>\$ -</b>							
<b>Estimated Ending Cash Balance on Dec 31, 2019</b>	<b>\$ 42,982.42</b>							

I HEREBY CERTIFY THE CONTENTS IN THIS REPORT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND THAT THIS REPORT DEPICTS ALL FUNDS

/s/ Bert Delara  
President/Chairperson

27-Jan-20  
Date

**STATE OF NEW MEXICO**  
**LAS ACEQUIAS DE PLACITAS**  
 SCHEDULE OF CAPITAL PROJECTS  
 YEAR ENDED DECEMBER 31, 2019

<u>Project Number</u>	<u>Project Name</u>	<u>Amount Awarded</u>	<u>Amount Received</u>	<u>Amount Expended</u>	<u>Remaining Balance</u>	<u>Legislation/ Effective Dates</u>
16-A2298-STB	Plan, design and construct phase 2 water system improvements	\$ 125,000	\$ 89,758	\$ 89,758	\$ 35,242	Laws of 2016, Ch. 81/Sec. 18 7/1/2016 - 6/30/2020

**STATE OF NEW MEXICO**  
**LAS ACEQUIAS DE PLACITAS**  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2019

**Current Year Finding**

**2020-001 – Agreed-Upon Procedures Report Not Submitted by the Due Date (other noncompliance)**

*Condition:* The agreed-upon procedures and report was not completed and filed by the statutory due date of May 31, 2020.

*Criteria:* The State Audit Rule requires completion and submission of the report five months after year-end or May 31, 2020.

*Cause:* The independent public accountant (IPA) was not able to complete the agreed-upon procedures because of unexpected illness which required hospitalization during the timeframe that the report was due. The agency was not responsible for this noncompliance.

*Effect:* Legislators and other interested parties did not have timely information upon which to base decisions.

*Recommendation:* Because the fault does not lie with the agency, no recommendation to the agency will be forthcoming.

*Agency's Response:* The Las Acequias Board of Commissioners was timely informed that the audit report would be filed late. Because of the circumstances, the Board had no objection.

**STATE OF NEW MEXICO**  
**LAS ACEQUIAS DE PLACITAS**  
STATUS OF PRIOR YEAR FINDINGS  
YEAR ENDED DECEMBER 31, 2019

**Prior Year Findings**

**Current Status**

2014-002 - Bank Reconciliations Not Timely or Accurate

Resolved

**STATE OF NEW MEXICO  
LAS ACEQUIAS DE PLACITAS  
EXIT CONFERENCE  
YEAR ENDED DECEMBER 31, 2019**

The report contents were discussed at an exit conference held on June 25, 2020 with the following in attendance:

**Las Acequias de Placitas**

Bert DeLara	President
Carolyn Kennedy	Treasurer

**James L. Hartogenesis, CPA LLC**

James Hartogenesis, CPA, CGFM	Principal
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