



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

STATE OF NEW MEXICO

ACEQUIA MESA DEL MEDIO

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

Year Ended December 31, 2016

STATE OF NEW MEXICO

ACEQUIA MESA DEL MEDIO

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

Year Ended December 31, 2016

**STATE OF NEW MEXICO
ACEQUIA MESA DEL MEDIO**

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December 31, 2016**

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**STATE OF NEW MEXICO
ACEQUIA MESA DEL MEDIO**

**Official Roster
at December 31, 2016**

<u>Name</u>		<u>Title</u>
	<u>Commissioners</u>	
Richard Martinez		Chairman
Tobias Velasquez		Secretary
Steven Salazar		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: Richard Martinez, Commissioner, President
Acequia Mesa del Medio
and
Honorable Timothy M. Keller
New Mexico State Auditor

We have performed the procedures enumerated below, which were agreed to by the Acequia Mesa del Medio on the Tier Verification, State-Funded Capital Outlay Expenditures and Reimbursements and Other for the year ended December 31, 2016, included in the accompanying information provided to us by management of the Acequia Mesa del Medio. The Acequia Mesa del Medio is responsible for the Tier Verification, State-Funded Capital Outlay Expenditures and Reimbursements and Other for the year ended December 31, 2016, included in the accompanying information provided to us by the management of the Acequia Mesa del Medio. 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.

The procedures and associated findings are as follows:

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 at least 50% of 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 13-1578, we examined three disbursements totaling \$13,825.36.
- 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) Since the expenditure of Capital Outlay funds were for engineering only, we were unable to determine the physical existence 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 (13-1578) is not yet complete and there is an unexpended balance of \$6,174.64 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 three reimbursement requests were 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 13-1578, we examined three reimbursement requests totaling \$13,825.36.

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.

* * * * *

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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 Verification, State-Funded Capital Outlay Expenditures and Reimbursements and Other for the year ended December 31, 2016, included in the accompanying information provided to us by management of the Acequia Mesa del Medio. 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 the Acequia Mesa del Medio, 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 the specified parties.

Macias, Gutierrez & Co., CPAs, P. C.

Macias, Gutierrez & Co., CPAs, P. C.
Espanola, New Mexico
May 2, 2017

STATE OF NEW MEXICO
 ACEQUIA MESA DEL MEDIO
 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>
13-1578-STB	1	<u>\$ 20,000.00</u>	<u>\$ 13,825.36</u>	<u>\$ 13,825.36</u>	<u>\$ 6,174.64</u>	Laws of 2013, Chapter 226, Section 29, Paragraph 11, to plan, design and construct improvements, including installation of head gates, to the acequia Mesa del Medio in Coyote in Rio Arriba county.	Through 6/30/2017

STATE OF NEW MEXICO
 ACEQUIA MESA DEL MEDIO
 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
13-1578			<u>\$ 20,000.00</u>							
	STB									
	1	6/10/2016		\$ 4,514.47	6/30/2016	\$ 4,514.47	1001	7/18/2016	\$ 4,514.47	William J. Miller Engineers, Inc.
	2	9/14/2016		2,683.71	9/26/2016	2,683.71	1002	10/24/2016	2,683.71	William J. Miller Engineers, Inc.
	3	12/9/2016		<u>6,627.18</u>	12/27/2016	<u>6,627.18</u>	364960	12/29/2016	<u>6,627.18</u>	William J. Miller Engineers, Inc.
				<u>\$ 13,825.36</u>		<u>\$ 13,825.36</u>			<u>\$ 13,825.36</u>	

**STATE OF NEW MEXICO
ACEQUIA MESA DEL MEDIO**

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

	Type of Finding *	Prior Year Finding Number	Current Year Finding Number
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 MESA DEL MEDIO**

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

EXIT CONFERENCE

The report contents were discussed in a telephonic exit conference held on May 2, 2017 with the following:

Acequia Mesa del Medio

By telephone:

Tobias Velasquez, Secretary

Accounting Firm

James R. (Jim) Macias, CPA