



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

STATE OF NEW MEXICO

ACEQUIA DE SAN RAFAEL DEL GUIQUE

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

Year Ended December 31, 2016

STATE OF NEW MEXICO

ACEQUIA DE SAN RAFAEL DEL GUIQUE

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Agreed-Upon Procedures (Tier 5)**

Year Ended December 31, 2016

**STATE OF NEW MEXICO
ACEQUIA DE SAN RAFAEL DEL GUIQUE**

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**STATE OF NEW MEXICO
ACEQUIA DE SAN RAFAEL DEL GUIQUE**

**Official Roster
at December 31, 2016**

<u>Name</u>		<u>Title</u>
	<u>Commissioners</u>	
Gilbert Borrego		Chairman
Nancy O'Bryan		Treasurer
Lisa Jensen-Nye		Secretary
	<u>Staff</u>	
Jeff Martinez		Mayordomo



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& Co., P.C.

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES (TIER 5)

To: Johnny Borrego, Chairman
Acequia de San Rafael del Guique
and
Honorable Timothy M. Keller
New Mexico State Auditor

We have performed the procedures enumerated below, which were agreed to by the Acequia de San Rafael del Guique and the Office of the State Auditor on the Tier Verification, Cash, Capital Assets, Revenue, Expenditures, Journal Entries, Budget, Capital Outlay Appropriations and Other as of and for the year ended December 31, 2016, included in the accompanying information provided to us by management of the Acequia de San Rafael del Guique. The Acequia de San Rafael del Guique's management is responsible for the Tier Verification, Cash, Capital Assets, Revenue, Expenditures, Journal Entries, Budget, Capital Outlay Appropriations and Other as of and for the year ended December 31, 2016, included in the accompanying information provided to us by the management of the Acequia de San Rafael del Guique. 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. The procedures and associated 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."

We verified Acequia's revenue calculation and tier determination. Acequia de San Rafael del Guique's cash basis revenue was between the **Tier 5** lower and upper limits and had expended a portion of its state capital outlay appropriation.

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.
- b) Perform a random test of bank reconciliations for accuracy. Also, trace ending balances to the general ledger, supporting documentation and the financial reports submitted to the Department of Finance and Administration, Local Government Division (DFA-LGD).
- 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.

Results of Procedures Performed

- a) The Acequia has one checking account and utilizes excel spreadsheets to record cash transactions. There are no formal bank reconciliations process due to limited activity but the Treasurer follows up on outstanding checks by recording the date the check cleared the bank on the excel spreadsheets. There were only three months during the year where the book balance did not agree to the bank balance due to one or two outstanding checks. The year-end bank statement listed two outstanding checks reconciling to the year-end book balance and was performed on a timely basis. All bank statements were complete and on-hand for the entire year.
- b) We did not perform a random test of bank reconciliations but reviewed month end bank balances to the excel spreadsheets and that revealed no exceptions. Required quarterly financial cash reports were submitted to DFA-LGD during the year and at year-end, we traced the ending cash balance to those reports.
- c) The one bank account balances never exceeded uninsured limits and, therefore, pledged collateral was not required on the bank account at any time during the year.

3. Capital Assets

Procedures

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

Results of Procedures Performed

The Acequia maintains a capital asset listing and performed the annual inventory as required by Section 12-6-10 NMSA, 1978.

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 based on auditor judgment using 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.

Results of Procedures Performed

- a) An analytical review of prior-year to current-year revenue revealed no unexplained or unusual variations. The test of actual revenue compared to budgeted revenue for the year for each revenue type revealed no exceptions.
- b) We requested supporting documentation for ten (10) deposits (97% of total revenue and loan proceeds) from a total of 21 deposits for the year. Amounts recorded on excel spreadsheets agreed with deposit tickets, other supporting documentation provided and the bank statements, with no exception.

- c) Amounts were properly recorded on a cash basis as to classification, amount and period per review of supporting documentation, without exception.

5. Expenditures

Procedures

Select a sample of cash disbursements based on auditor judgment using 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 check clearing amount (cancelled checks not returned), 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).

Results of Procedures Performed

- a) We requested supporting documentation for 15 disbursements (97% of total expenditures) from a total of 39 disbursements for the year. Our tests of transactions revealed that amounts recorded as disbursed agreed to supporting documentation, with no exceptions. Amount paid, payee, date and description agreed with the vendor's invoice, purchase order, contract and check clearing amount, as appropriate.
- b) Disbursements were properly authorized and approved in compliance with the budget, legal requirements and established policies and procedures.
- c) 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).

6. Journal Entries

Procedures

If non-routine journal entries, such as adjustments or reclassifications, are posted to the general ledger, test significant items 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.

Results of Procedures Performed

The Acequia does not maintain a general ledger but utilizes excel spreadsheets to record cash transactions and, therefore, does not prepare journal entries.

7. Budget

Procedures

Obtain the original fiscal year budget and all budget amendments made throughout the fiscal year and perform the following:

- 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 so, 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.

Results of Procedures Performed

- a) A review of Board meeting minutes indicated that the 2016 budget was submitted to DFA-LGD for approval. The Acequia made two subsequent 2016 budget adjustments.
- b) Total actual expenses did not exceed the final budget by at the total fund level, the legal level of budgetary control.
- c) The Acequia prepared and submitted to DFA-LGD a Profit and Loss Budget vs. Actual for the year ended December 31, 2016 (herein Exhibit B). The second budget adjustment for \$3,000 additional anticipated revenue was not included on the report submitted to DFA-LGD. The actual funding did not occur until 2017; therefore, the adjustment had no effect on the budget. A schedule of revenues and expenses – budget and actual was prepared from Acequia records on the cash budgetary basis. The aforementioned second budget adjustment is included herein the attached Exhibit A.

8. Capital Outlay Appropriations

The Contractor shall request and review all state-funded capital outlay awards, joint powers agreements, correspondence and other relevant documentation for any capital outlay award funds expended by the recipient during the year.

The Contractor shall test all capital outlay expenditures during the fiscal year to:

- 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).
- 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.
- f) 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.
- g) 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.

- 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 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.

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 checks, as appropriate. For Project 14-1800-STB, we examined three disbursements totaling \$5,670.57 for the year ended December 31, 2016.
- b) We determined that disbursements were properly authorized and approved in compliance with the capital outlay award 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) and Regulations Governing the Per Diem and Mileage Act (2.42.2 NMAC).
- d) Since the project consisted of only engineering, we were unable to determine the physical existence (by observation) 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 the excel spreadsheets and other supporting documentation.
- f) The project was not intended to be funded in advance but on a reimbursement basis.
- g) As of December 31, 2016, the project is not complete and there is an unexpended balance of \$18,816.31.
- h) Since the project was approved on a reimbursement basis, no separate fund or bank account was required.
- i) We determined that reimbursement requests were properly supported by costs incurred by the recipient and that the costs were paid by the local public body prior to the request for reimbursement. For Project 14-1800-STB, we examined three reimbursement requests totaling \$5,670.57 for the year ended December 31, 2016.

9. Other

Procedures

If information comes to the IPA'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 a review, the objective of which would be the expression of an opinion or conclusion, respectively on the Tier Verification, Cash, Capital Assets, Revenue, Expenditures, Journal Entries, Budget, Capital Outlay Appropriations and Other as of and for the year ended December 31, 2016, included in the accompanying information provided to us by management of the Acequia de San Rafael del Guique. 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 de San Rafael del Guique, the New Mexico State Auditor's Office and 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.
Española, New Mexico
May 11, 2017

STATE OF NEW MEXICO
ACEQUIA DE SAN RAFAEL DEL GUIQUE
Schedule of Revenues and Expenses-Budget and Actual (Cash Basis)
Year Ended December 31, 2016

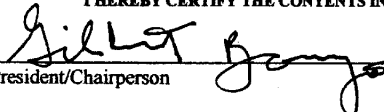
	Budgeted Amounts		Actuals	Variance
	Original	Final		Favorable (Unfavorable)
Revenues:				
Fees	\$ 6,500	\$ 6,500	\$ 5,624	\$ (876)
Federal Grant	150,000	150,000	141,945	(8,055)
State Grants-Capital Outlay	15,000	15,000	8,614	(6,386)
East Rio Arriba Conservation District	-	3,000	-	(3,000)
Miscellaneous	-	-	620	620
Total revenues	171,500	174,500	156,803	(17,697)
Cash balance budgeted	11,250	11,516	11,516	-
Total revenues and cash balance budgeted	182,750	186,016	168,319	(17,697)
Expenses:				
Equipment Rental	-	2,000	-	2,000
Maintenance	-	2,000	-	2,000
Office Supplies	150	150	82	68
Insurance Bond	126	126	126	-
Postage	48	48	138	(90)
Supplies-Field	500	500	-	500
Subscription/Dues	100	100	40	60
Mayordomo Fee	3,000	3,000	-	3,000
Contract Labor	300	300	147,132	(146,832)
Samson Arroyo Undershoot	150,000	150,000	-	150,000
Equipment/Machinery	-	-	2,645	(2,645)
PS-Design	-	-	1,056	(1,056)
Ditch Cleaning and Silt Removal	-	2,300	-	2,300
Miscellaneous	-	-	110	(110)
Total expenses	154,224	160,524	151,329	9,195
Excess revenues over (under) expenses	\$ 28,526	\$ 25,492	\$ 16,990	\$ (8,502)

Acequia Name: Acequia San Rafael de Guique
Mailing Address:
Email Address:
Phone number:

Calendar Year
2016

	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
Beginning balances:								
Cash	11,516							
Savings								
CDs								
Investments								
Beginning Balance TOTAL	\$ 11,516							
REVENUES								
Fees	6,500	2,355	1,259	100	1,910	5,624	876	87%
Fines and Penalties						0	0	-
Interest Income						0	0	-
Contributions						0	0	-
Sales-Other						0	0	-
Federal Grant	150,000		58,866	83,079		141,945	8,055	95%
State Grants-Capital Outlay	15,000	1,056	7,558			8,614	6,386	57%
Miscellaneous				620		620	(620)	-
TOTAL	\$ 171,500	3,411	67,683	83,799	1,910	156,803	14,697	91%
EXPENDITURES								
Equipment	2,000					0	2,000	0%
Maintenance	2,000					0	2,000	0%
Office Supplies	150	20			62	82	68	55%
Insurance	126			126		126	0	100%
Telephone	48	84		35	19	138	(90)	288%
Supplies-Field	500					0	500	0%
Subscription/Dues	100				40	40	60	40%
Labor	3,000					0	3,000	0%
Equipment Rental						0	0	-
Contract Labor	300	400	63,719	81,013	2,000	147,132	(146,832)	49044%
Transportation						0	0	-
Debt Service-Principal						0	0	-
Debt Service-Interest						0	0	-
Training						0	0	-
Equipment/Machinery	150,000		800		1,845	2,645	147,355	2%
AUP or Audit						0	0	-
PS-Attorney						0	0	-
PS-Design		1,056				1,056	(1,056)	-
Commission						0	0	-
Miscellaneous		35	75			110	(110)	-
TOTAL	\$ 158,224	1,595	64,594	81,174	3,966	151,329	6,895	96%
Ending Balance	24,792					16,990		
Less Reserves								
Ending Available Cash Balance	\$ 24,792					\$ 16,990		

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.



 President/Chairperson

11/16/17

 Date

STATE OF NEW MEXICO
 ACEQUIA DE SAN RAFAEL DEL GUIQUE
 Projects Schedule - Summary
 Year Ended December 31, 2016

Exhibit C

Grant No.	Pay Request	Amount Awarded	Cumulative Amount Received	Cumulative Amount Expended	Remaining Balance	Actual Legislation	Effective Dates
14-1800-STB		\$ 35,000.00					
	1		\$ 2,633.01	\$ 2,633.01	\$ 32,366.99		
	2		7,880.11	7,880.11	24,486.88		
	3		1,056.45	1,056.45	23,430.43		
	4		1,860.27	1,860.27	21,570.16		
	5		2,753.85	2,753.85	18,816.31	Laws of 2014, Chapter 66, Section 21, Item 9, to plan, design and construct improvements to the acequia San Rafael del Guique in Rio Arriba county.	Through 6/30/2018
			<u>\$ 16,183.69</u>	<u>\$ 16,183.69</u>	<u>\$ 18,816.31</u>		

STATE OF NEW MEXICO
 ACEQUIA DE SAN RAFAEL DEL GUIQUE
 Projects Schedule - Detail
 Year Ended December 31, 2016

<u>Grant No.</u>	<u>Pay Request</u>	<u>Request Date</u>	<u>Amount Awarded</u>	<u>Amount Received</u>	<u>Date Received</u>	<u>Check Date</u>	<u>Check Number</u>	<u>Amount Expended</u>	<u>Vendor Paid</u>
14-1800-STB			\$ 35,000.00						
	1	6/1/2015		\$ 2,633.01	6/15/2015	7/18/2015	1797	\$ 2,633.01	Miller Engineering
	2	6/29/2015		<u>7,880.11</u>	7/17/2015	8/22/2015	1799	<u>7,880.11</u>	Miller Engineering
Subtotal 2015				<u>10,513.12</u>				<u>10,513.12</u>	
	3	2/2/2016		1,056.45	2/10/2016	1/26/2016	1811	1,056.45	Miller Engineering
	4	5/26/2016		1,860.27	6/1/2016	4/11/2016	1827	1,860.27	Miller Engineering
	5	5/26/2016		<u>2,753.85</u>	6/1/2016	5/13/2016	1829	<u>2,753.85</u>	Miller Engineering
Subtotal 2016				<u>5,670.57</u>				<u>5,670.57</u>	
Total				<u>\$ 16,183.69</u>				<u>\$ 16,183.69</u>	

**STATE OF NEW MEXICO
ACEQUIA DE SAN RAFAEL DEL GUIQUE**

**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 Reported	N/A	N/A	N/A
Follow-up on Prior Year Findings:			
	N/A	N/A	N/A

An agreed-upon procedures report was not required for the year ended 12/31/15.

*** Legend for Findings:**

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

**STATE OF NEW MEXICO
ACEQUIA DE SAN RAFAEL DEL GUIQUE**

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

EXIT CONFERENCE

In compliance with the Open Meetings Act, the report contents were discussed in a closed executive session exit conference held on May 16, 2017 with the following in attendance:

Acequia de San Rafael del Guique

Nancy O'Bryan, Secretary
Lisa Jensen-Nye, Treasurer

Accounting Firm

James R. (Jim) Macias, CPA