



MACIAS, GUTIERREZ & CO., P.C.  
CERTIFIED PUBLIC ACCOUNTANTS  
TIERRA AMARILLA, NEW MEXICO

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# **STATE OF NEW MEXICO**

## **ACEQUIA DE SAN RAFAEL DEL GUIQUE**

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

Year Ended December 31, 2018

**STATE OF NEW MEXICO**

**ACEQUIA DE SAN RAFAEL DEL GUIQUE**

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

**Year Ended December 31, 2018**

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

**Table of Contents  
December 31, 2018**

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		<b><u>Page</u></b>
Title Page		i
Table of Contents		ii
Official Roster		iii
Independent Accountants' Report on Applying Agreed-Upon Procedures (Tier 3)		iv-vi
	<b><u>Exhibit</u></b>	
Project Schedule - Summary	A	1
Project Schedule - Detail	B	2
Schedule of Findings and Responses		3
Exit Conference		4

STATE OF NEW MEXICO  
ACEQUIA DE SAN RAFAEL DEL GUIQUE

Official Roster  
at December 31, 2018

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<u>Name</u>		<u>Title</u>
	<b><u>Commissioners</u></b>	
Johnny Borrego		Chairman
Nancy O'Bryan		Treasurer
Lisa Jensen-Nye		Secretary
	<b><u>Staff</u></b>	
Thomas Padilla		Mayordomo



Macias, Gutierrez  
& Co., P.C.

*Certified Public Accountants  
Member AICPA, NMSCPA*

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P. O. Box 712  
Tierra Amarilla, New Mexico 87575  
Phone/Fax 575.588.0607

## **INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES (TIER 3)**

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To: Johnny Borrego, Chairman  
Acequia de San Rafael del Guique  
and  
Brian S. Colón, Esq.  
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, the State-Funded Capital Outlay Expenditures and Reimbursements and Other (Items 1-7) for the year ended December 31, 2018, 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, the State-Funded Capital Outlay Expenditures and Reimbursements and Other (Items 1-7) for the year ended December 31, 2018, 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. Before beginning the procedures below, the IPA must 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."

We verified Acequia's revenue calculation and tier determination. Acequia de San Rafael del Guique's cash basis revenue was less than \$50,000 and had expended a portion of or the remaining remainder of its state capital outlay appropriation.

### **2. 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 the cash 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 Contactor 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 six (6) disbursements totaling \$14,149.92 for the year ended December 31, 2018.
- 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, 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 and tree removal, 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, 2018, the project is complete and there is an unexpended balance of \$666.39 in agreement with the grantor.
- 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 five reimbursement requests totaling \$14,149.92 for the year ended December 31, 2018.

### 3. 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, the State-Funded Capital Outlay Expenditures and Reimbursements and Other for the year ended December 31, 2018, 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.  
Tierra Amarilla, New Mexico 87575  
April 3, 2019

STATE OF NEW MEXICO  
 ACEQUIA DE SAN RAFAEL DEL GUIQUE  
 Projects Schedule - Summary  
 Year Ended December 31, 2018

Exhibit A

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		
	6		4,000.00	4,000.00	14,816.31		
	7		4,097.58	4,097.58	10,718.73		
	8		5,693.21	5,693.21	5,025.52		
	9		2,926.69	2,926.69	2,098.83		
	10		322.50	322.50	1,776.33	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.	
	11		1,109.94	1,109.94	666.39		Through 6/30/2018
			<u>\$ 34,333.61</u>	<u>\$ 34,333.61</u>	<u>\$ 666.39</u>		



STATE OF NEW MEXICO  
 ACEQUIA DE SAN RAFAEL DEL GUIQUE  
 Projects Schedule - Detail  
 Year Ended December 31, 2018

Exhibit B

Grant No.	Pay Request	Request Date	Amount Awarded	Amount Received	Date Received	Check Date	Check Number	Amount Expended	Vendor Paid
14-1800-STB			\$ 35,000.00						
	1	6/1/2015		\$ 2,633.01	6/15/2015	7/18/2015	1797	\$ 2,633.01	Souder, Miller Eng.
	2	6/29/2015		<u>7,880.11</u>	7/17/2015	8/22/2015	1799	<u>7,880.11</u>	
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	Souder, Miller Eng.
	4	5/26/2016		1,860.27	6/1/2016	4/11/2016	1827	1,860.27	Souder, Miller Eng.
	5	5/26/2016		<u>2,753.85</u>	6/1/2016	5/13/2016	1829	<u>2,753.85</u>	Souder, Miller Eng.
Subtotal 2016				<u>5,670.57</u>				<u>5,670.57</u>	
	6	3/6/2017		4,000.00	4/13/2017	3/7/2017	1651	2,000.00	Taos Crane Service
						3/20/2017	1666	<u>2,000.00</u>	Taos Crane Service
Subtotal 2017				<u>4,000.00</u>				<u>4,000.00</u>	
	7	3/8/2018		4,097.58	3/14/2018	3/14/2018	1700	4,097.58	Souder, Miller Eng.
	8	4/27/2018		5,693.21	5/1/2018	5/2/2018	1728	5,693.21	Souder, Miller Eng.
	9	5/9/2018		2,926.69	5/9/2018	6/1/2018	1733	2,926.69	Souder, Miller Eng.
	10	7/10/2018		322.50	7/13/2018	7/20/2018	1735	322.50	Souder, Miller Eng.
	11	7/12/2018		1,109.94	7/19/2018	1/11/2018	1693	597.20	Souder, Miller Eng.
						7/28/2018	1736	<u>512.74</u>	Souder, Miller Eng.
Subtotal 2018				<u>14,149.92</u>				<u>14,149.92</u>	
Total				<u>\$ 34,333.61</u>				<u>\$ 34,333.61</u>	

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

**Schedule of Findings and Responses  
Year Ended December 31, 2018**

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	<u>Type of Finding *</u>	<u>Prior Year Finding Number</u>	<u>Current Year Finding Number</u>
<b>Current Year Findings:</b>			
None Reported	N/A	N/A	N/A
<b>Follow-up on Prior Year Findings:</b>			
None Reported	N/A	N/A	N/A

**\* 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, 2018**

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**EXIT CONFERENCE**

The report contents were discussed in an exit conference held on April 4, 2019 with the following in attendance:

Acequia de San Rafael del Guique

By telephone:

Lisa Jensen-Nye, Treasurer

Accounting Firm

James R. (Jim) Macias, CPA