

# **Vigil y Romo Acequia Association**

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

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



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

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**State of New Mexico**  
**Vigil y Romo Acequia Association**  
**Table of Contents**  
**For the Year Ended December 31, 2019**

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

**State of New Mexico  
Vigil y Romo Acequia Association  
Official Roster  
December 31, 2019**

<u><b>Name</b></u>	<u><b>Title</b></u>
Cipriano Medina	Chairman
George “Fritz” Hahn	Treasurer/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  
Vigil y Romo Acequia Association

We have performed the procedures enumerated below for the Vigil y Romo Acequia Association (the Acequia) for the year ended December 31, 2019, 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](http://www.osanm.org) under "Tiered System Reporting Main Page."

#### Results of Procedure 1

We verified the Acequia's revenue calculation and determination. The Acequia's cash basis revenue was less than \$50,000 and expended at least 50% of, or the remainder of a capital outlay award which meets the criteria for Tier 3 determination.

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 tested all of the cash disbursements for the capital award project. We verified the amounts recorded as disbursed agreed to supporting documentation and the payee, date and description of purchase agreed to the vendor's invoice, contract, and canceled check.

- 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 that the disbursements were properly authorized and approved in accordance with applicable 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 that the bid process, 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. **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 were obtaining information sent to us by the Acequia from the Town of Taos that referenced the completed project. Specifically, an invoice from Taos Soil and Water Conservation District certifies that the work has been completed, per inspection done by Field Service Manager, Matthew Valerio during the month of March 2019. We also reviewed pictures of the completed project.

- 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**

Status reports were not required by the terms of the agreement with the New Mexico Interstate Stream Commission (ISC). We verified amounts on the reimbursement forms agreed with the general ledger and other supporting documentation.

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.

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 and there was no unexpended balance to revert.

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**

The capital outlay agreement did not require a separate fund or separate non-interest bearing bank account to deposit the amounts received.

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 Acequia. The Acequia did not pay for costs prior to the request for reimbursement. The agreement with ISC did not require the Acequia to pay for costs prior to the request for reimbursement.

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 any matters required to be reported by Section 12-6-6 NMSA 1978.

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 OSA, the New Mexico Interstate Steam Commission, the New Mexico Department of Finance and Administration - Local Government Division, 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  
April 29, 2020



**State of New Mexico**  
**Vigil y Romo Acequia Association**  
**Exhibit 1 – Schedule of Capital Outlay Awards**  
**For the Year Ended December 31, 2019**

	<b>Note 1</b>
Amount awarded to the Project	\$ 69,405
Amount received by the Acequia	69,405
Amount expended in prior years	-
Amount expended by the Acequia	69,405
Remaining Balance	\$ -

**Note 1: This appropriation was approved to fund the construction of a diversion dam and related structures.**

Legislative Authority: NMSA 72-14-2 (1978) & Laws of 2018, CH 73, p. 77, Line 12-25 and p. 78, Line 1

Legislative and Effective Dates: October, 3 2018

Agreement Termination / Reversion Date: June 30, 2019

**State of New Mexico**  
**Vigil y Romo Acequia Association**  
**Schedule of Findings and Responses**  
**For the Year Ended December 31, 2019**

**Current Year Findings:**

No Matters were reported

**Prior Year Findings:**

No Matters were reported

**State of New Mexico**  
**Vigil y Romo Acequia Association**  
**Exit Conference**  
**For the Year Ended December 31, 2019**

On April 29, 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>
George "Fritz" Hahn	Treasurer/Mayordomo, Vigil y Romo Acequia Association
Liza Kerr, CPA	Audit Manager, OSA
Anne Kelbley	Senior Auditor, OSA