



## **STATE OF NEW MEXICO**

# **CAÑÓN de CARNUÉ LAND GRANT**



Independent Accountants' Report on Applying  
Agreed-Upon Procedures

Year Ended June 30, 2010

**STATE OF NEW MEXICO**

**CAÑÓN de CARNUÉ  
LAND GRANT**

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Agreed-Upon Procedures**

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**STATE OF NEW MEXICO  
CAÑÓN de CARNUÉ LAND GRANT**

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June 30, 2010**

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STATE OF NEW MEXICO  
CAÑÓN de CARNUÉ LAND GRANT

Official Roster  
at June 30, 2010

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<u>Name</u>	<u>Title</u>
<b><u>Board of Trustees</u></b>	
Yolanda J. Garcia	President
Andy Gonzales, Jr.	Vice-President
LM Garcia y Griego	Secretary
Becky Gutierrez/Macario Griego	Treasurer
Vivian Barela-Salcido	Member



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

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To: Yolanda J. Garcia, President  
CAÑÓN de CARNUÉ Land Grant  
Board of Trustees  
and  
Honorable Hector H. Balderas  
New Mexico State Auditor

We have performed the procedures enumerated below for the CAÑÓN de CARNUÉ Land Grant (CDCLG) for the year ended June 30, 2010, solely to assist the CDCLG in demonstrating compliance with the provisions of Laws of 2008, Chapter 83, as set forth in the accompanying Projects Schedules – Summary and Detail, Exhibits A and B. The CDCLG was determined to be a Tier 3 entity under the Audit Act, Section 12-6-3 B (4) NMSA 1978 and Section 2.2.2.16 NMAC. The procedures were agreed to by the CDCLG through the Office of the New Mexico State Auditor. The CDCLG's management is responsible for the organization's accounting records. 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 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. Our procedures and findings follow.

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.

### **1. 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) 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.

## **Findings**

- a) We determined that the agency was not able to provide supporting documentation for one (1) expenditure, all other expenditures provided were 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.
- 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). Regulations Governing the Per Diem and Mileage Act (2.42.2 NMAC) were not applicable.
- d) We determined the existence (by observation of the property) of the building and improvements purchased 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.

## **2. 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.

### **Findings**

The project was not intended to be funded in advance but on a reimbursement basis and is consistent with the reimbursement claim forms submitted by the agency.

## **3. 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.

### **Findings**

The project is complete and there is no unexpended balance in agreement with the grantor.

## **4. 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.

### **Findings**

Since the project was approved on a reimbursement basis, no separate fund or bank account was required.

## **5. 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.

### **Findings**

We determined that the Grant Agreement was amended from an original total of \$148,500 to a total of \$198,500. 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 in accordance with the Grant Agreement.

### **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 (l) (3) (C) NMAC.

### **Findings**

No exceptions were found as a result of applying the procedures described above (regardless of materiality) indicating any fraud, illegal acts. However, see findings related to an internal control deficiency and noncompliance in the accompanying Schedule of Findings and Responses.

\* \* \* \* \*

We were not engaged to, and did not conduct an audit of financial statements or any part thereof, the objective of which would be the expression of an opinion on the financial statements or a part thereof, including the accompanying Projects Schedules – Summary and Detail, Exhibits A and B. Accordingly, we do not express such an opinion. 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 CAÑÓN de CARNUÉ Land Grant, the New Mexico State Auditor's Office and the 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.

Precision Accounting, LLC  
Albuquerque, New Mexico  
January 19, 2012

**STATE OF NEW MEXICO**  
**CAÑÓN de CARNUÉ LAND GRANT**  
**Projects Schedule - Summary**  
**For the Year Ended June 30, 2010**

**Exhibit A**

<u>Grant No.</u>	<u>Pay Request</u>	<u>Amount Awarded</u>	<u>Amount Requested/ Received</u>	<u>Actual Amount Expended</u>	<u>Requested Remaining Balance</u>	<u>Actual Legislation</u>	<u>Effective Dates</u>
08-L-G-4984		\$148,500.00	\$68,683.86 79,816.14	\$133,277.57 212,557.55	\$79,816.14 79,816.14	Laws of 2008, Chapter 83 Section 12 To acquire property, easements and rights of way for and plan, design, construct, improve, equip and furnish the land grant community building, including paving and landscaping, in that community	Through 6/30/2010
08-L-G-4985		\$ 50,000.00	\$ 5,300.00	\$ 5,300.00	\$ -	Laws of 2008, Chapter 83 Section 13	6/30/2010
	1		30,850.00	30,850.00	44,700.00	To plan, design, construct and equip infrastructure for the commercial development center for the Carnué land grant community in Bernalillo County may include purchasing.	
	2		13,850.00	13,850.00	44,700.00		



**STATE OF NEW MEXICO**  
**CAÑÓN de CARNUÉ LAND GRANT**  
**Projects Schedule - Detail**  
**For the Year Ended June 30, 2010**

**Exhibit B**

Grant No.	Pay Request	Certification/ Request Date	Amount Awarded	Amount Requested/ Received	Date Paid Received	Invoice Amount	B Warrant/ Check Number	Check Date	Actual Amount Expended	Vendor Paid
08-L-G-4984		1/15/2009	\$ 148,500.00			\$ -				
08-L-G-4984					6/9/2009	\$ 16,094.00	2089	6/9/2009	\$ 16,094.00	Darco Inc.
08-L-G-4984					10/19/2009	\$ 43,636.49	2127	10/19/2009	\$ 59,730.49	SRS Construction
08-L-G-4984					10/19/2009	\$ 3,321.68	2128	10/19/2009	\$ 63,052.17	TLC Plumbing
08-L-G-4984					1/17/2010	\$ 34,020.99	2172	1/17/2010	\$ 97,073.16	SRS Construction
08-L-G-4984					2/9/2010	\$ 3,700.00	2176	2/9/2010	\$ 100,773.16	All Sorts
08-L-G-4984					2/15/2010	\$ 10,918.59	2185	2/15/2010	\$ 111,691.75	SRS Construction
08-L-G-4984					2/16/2010	\$ 21,585.82	2186	2/16/2010	\$ 133,277.57	SRS Construction
08-L-G-4984	1			\$ 68,683.83	4/1/2010		Wire	4/1/2010		
08-L-G-4984					7/26/2010	\$ 30,000.00	2267	7/26/2010	\$ 163,277.57	Python Construction Co
08-L-G-4984	2			\$ 79,816.14	8/3/2010		Wire	8/3/2010		
08-L-G-4984					8/9/2010	\$ 60,074.93	2272	8/9/2010	\$ 223,352.50	Python Construction Co
08-L-G-4984					8/9/2010	\$ 3,000.00	2273	8/9/2010	\$ 226,352.50	SMA
08-L-G-4984					9/13/2010	\$ 22,237.65	2285	9/13/2010	\$ 248,590.15	Python Construction Co
					7/23/2010	\$ (36,032.60)		7/23/2010	\$ 212,557.55	Granite Bond Claim
08-L-G-4985		12/14/2009	\$ 50,000.00		12/14/2009	\$ 5,300.00	2162	12/14/2009	\$ 5,300.00	Hallock and Gross
08-L-G-4985	1			\$ 5,300.00	12/14/2009		Wire	12/14/2009		
08-L-G-4985					7/28/2010	\$ 30,850.00	2229	7/25/2009	\$ 36,150.00	Hallock and Gross
08-L-G-4985					7/28/2010	\$ 13,850.00	2252	7/25/2009	\$ 50,000.00	Hallock and Gross
08-L-G-4985	2			\$ 30,850.00	8/3/2010		Wire	8/3/2010		
08-L-G-4985	3			\$ 13,850.00	8/3/2010		Wire	8/3/2010		
				<u>\$ 198,499.97</u>		<u>\$ 262,557.55</u>			<u>\$ 298,590.15</u>	

**STATE OF NEW MEXICO  
CAÑÓN de CARNUÉ LAND GRANT  
Schedule of Findings  
June 30, 2010**

	<u>Type of Finding *</u>	<u>Prior Year Finding Number</u>	<u>Current Year Finding Number</u>
<b>Current Year Findings:</b>			
Insufficient supporting documentation for all expenditures	C	N/A	AP-2010-01
Late Report	C	N/A	AP-2010-02
<b>Follow-up on Prior Year Findings:</b>			
None	N/A	N/A	N/A

**\* Legend for Findings:**

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

**AP 2010-01 Insufficient supporting documentation**

CONDITION: During our review of grant expenditures, we noted one (1) payment that did not have adequate supporting documentation.

CRITERIA: Section 13-1-28 to 13-1-199, NMSA 1978 states that expenditures should be properly authorized, processed and recorded and should have adequate supporting documentation for the disbursement.

CAUSE OF CONDITION: Unknown

EFFECT OF CONDITION: The Land Grant is in violation of Section 13-1-28 to 13-1-199, NMSA 1978 with regard to adequate supporting documentation, which could cause questions as to the validity of the expenditure.

RECOMMENDATION: We recommend that the Land Grant comply with the regulatory requirements regarding maintaining adequate supporting documentation for expenditures.

CLIENT RESPONSE: We concur with the finding and have taken steps to ensure that all supporting documentation is maintained.

**AP 2010-02 Late Report**

CONDITION: The annual agreed upon procedures for the year ending June 30, 2010 were not conducted submitted on or before December 1, 2010.

CRITERIA: NMAC 2.2.2.9 requires that the agreed upon procedures be completed and submitted to the New Mexico State Auditor on or before December 1.

CAUSE OF CONDITION: The Land Grant did not have the records available for review.

EFFECT OF CONDITION: The Land Grant is in violation of NMAC 2.2.2.9 having failed to submit their agreed upon procedures by the required date which could jeopardize the Land Grant eligibility for funding from the State Legislature and Federal agencies.

RECOMMENDATION: We recommend that the Land Grant comply with the regulatory requirement regarding the completion of the financial and compliance

CLIENT RESPONSE: We concur with the finding and will work to ensure future compliance.

**STATE OF NEW MEXICO  
CAÑÓN de CARNUÉ LAND GRANT**

**Exit Conference  
Year Ended June 30, 2010**

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**EXIT CONFERENCE**

The report contents were discussed at an exit conference held on January 19, 2012 with the following in attendance:

CAÑÓN de CARNUÉ Land Grant

LM Garcia y Griego, Secretary  
Macario Griego, Treasurer

Accounting Firm

Melissa R. Santistevan, CPA