



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

STATE OF NEW MEXICO

SAN JOAQUIN DEL RIO DE CHAMA LAND GRANT

Independent Accountants' Report on Applying
Agreed-Upon Procedures

Year Ended June 30, 2011

STATE OF NEW MEXICO

**SAN JOAQUIN DEL RIO DE CHAMA
LAND GRANT**

**Independent Accountants' Report on Applying
Agreed-Upon Procedures**

Year Ended June 30, 2011

**STATE OF NEW MEXICO
SAN JOAQUIN DEL RIO DE CHAMA LAND GRANT**

**Table of Contents
June 30, 2011**

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

STATE OF NEW MEXICO
SAN JOAQUIN DEL RIO DE CHAMA LAND GRANT

Official Roster
at June 30, 2011

<u>Name</u>	<u>Title</u>
<u>Board of Directors</u>	
Leonard T. Martinez	President
Benito Salazar	Vice- President/Treasurer
Eliza Martinez	Secretary
Nazario Barela	Member/Secretary of Land and Water
Michael Vigil	Member/Sergeant-at- Arms



Macias, Gutierrez
& Co., P.C.

*Certified Public Accountants
Member AICPA, NMSCPA*

1302 Calle De La Merced, Suite A
Espanola, New Mexico 87532
505.747.4415
Fax 505.747.4417

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To: Leonard T. Martinez, President
San Joaquin Del Rio de Chama Land Grant
and
Honorable Hector H. Balderas
New Mexico State Auditor

We have performed the procedures enumerated below for the San Joaquin Del Rio de Chama Land Grant (SJDRDCLG) for the year ended June 30, 2011, solely to assist the SJDRDCLG in demonstrating compliance with the provisions of Laws of 2008, Chapter 92, as set forth in the accompanying Projects Schedules – Summary and Detail, Exhibits A and B. The SJDRDCLG 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 SJDRDCLG through the Office of the New Mexico State Auditor. The SJDRDCLG'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 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.
- 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 warranty deed and title insurance policy with matching legal property descriptions) of the land purchased based on expenditures to date. We determined that physical observation was not feasible, in the circumstances.
- 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.

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 \$47,000 to a total of \$40,000. We determined that the single reimbursement request was 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 (I) (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, noncompliance or any internal control deficiencies.

* * * * *

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 San Joaquin Del Rio de Chama 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.

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

Macias, Gutierrez & Co., CPAs, P. C.
Espanola, New Mexico
October 17, 2011

STATE OF NEW MEXICO
SAN JOAQUIN DEL RIO DE CHAMA LAND GRANT
Projects Schedule - Summary
For the Year Ended June 30, 2011

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-4411	1	\$ 40,000.00	\$ 40,000.00	\$ 40,558.56	\$ -	Laws of 2008, Chapter 92 Section 59, Subsection 363 To purchase land, plan, design, construct, equip, furnish and improve the Suazo Sala building and auxiliary building for the San Joaquin del Rio de Chama land grant in Rio Arriba county.	Through 6/30/2012

STATE OF NEW MEXICO
SAN JOAQUIN DEL RIO DE CHAMA LAND GRANT
Projects Schedule - Detail
For the Year Ended June 30, 2011

<u>Grant No.</u>	<u>Pay Request</u>	<u>Certification/ Request Date</u>	<u>Amount Awarded</u>	<u>Amount Requested/ Received</u>	<u>Date Paid Received</u>	<u>Invoice Amount</u>	<u>B Warrant/ Check Number</u>	<u>Check Date</u>	<u>Actual Amount Expended</u>	<u>Vendor Paid</u>
08-L-G-4411	1	7/8/2010	\$ 40,000.00	\$ 40,000.00	7/28/2010	\$ 1,000.00	1043	7/25/2009	\$ 1,000.00	Rural Housing, Inc.
						39,558.56	1070	6/23/2010	39,558.56	Chama Title Co.
						<u>\$ 40,558.56</u>			<u>\$ 40,558.56</u>	

**STATE OF NEW MEXICO
SAN JOAQUIN DEL RIO DE CHAMA LAND GRANT**

**Schedule of Findings and Responses
Year Ended June 30, 2011**

	<u>Type of Finding *</u>	<u>Prior Year Finding Number</u>	<u>Current Year Finding Number</u>
Current Year Findings:			
None	N/A	N/A	N/A
Follow-up on Prior Year Findings:			
None	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
SAN JOAQUIN DEL RIO DE CHAMA LAND GRANT**

**Exit Conference
Year Ended June 30, 2011**

EXIT CONFERENCE

The report contents were discussed at an exit conference held on October 21, 2011 with the following in attendance:

San Joaquin Del Rio de Chama Land Grant

Benito Salazar, Board Vice-President

Accounting Firm

James R. (Jim) Macias, CPA