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CERTIFIED PUBLIC ACCOUNTANTS  
ESPANOLA, NEW MEXICO  
[www.mgandc.com](http://www.mgandc.com)

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# **STATE OF NEW MEXICO**

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

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

Year Ended June 30, 2015

**STATE OF NEW MEXICO**

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

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

**Year Ended June 30, 2015**

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

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June 30, 2015**

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

Official Roster  
at June 30, 2015

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<u>Name</u>	<u>Title</u>
<b><u>Board of Directors</u></b>	
Leonard T. Martinez	President
Thelma O. Lovato- Chavez	Vice- President/Treasurer
Sharon Hayes	Secretary
Gerald Chacon	Member/Secretary of Land and Water
Michael Vigil	Member/Sergeant-at- Arms



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

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To: Leonard T. Martinez, President  
San Joaquin Del Rio de Chama Land Grant  
and  
Honorable Timothy M. Keller  
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, 2015, solely to assist the SJDRDCLG in demonstrating compliance with the provisions of Laws of 2013, Chapter 226, Section 31, Subsection 156 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. There was only one project. For Project 13-L-1748, we examined one disbursement totaling \$11,000.
- 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 photographs) of the base course gravel 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 was an unexpended balance of \$2,000 reverted per statute and 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 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. There was only one project. For Project 13-L-1748, we examined one reimbursement request totaling \$11,000.

### **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, or any internal control deficiencies. However, see the Schedule of Findings and Responses for a noncompliance issue related to Late Report submission (see Finding 2015-001 on p. 4 of this report).

\* \* \* \* \*

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 the NM Legislature 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.  
Española, New Mexico  
February 3, 2016

**STATE OF NEW MEXICO**  
**SAN JOAQUIN DEL RIO DE CHAMA LAND GRANT**  
**Projects Schedule - Summary**  
**For the Year Ended June 30, 2015**

**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>Remaining Balance</u>	<u>Actual Legislation</u>	<u>Effective Dates</u>
13-L-1748 STB	1	\$ 13,000.00	\$ 11,000.00	\$ 11,000.00	\$ 2,000.00	Laws of 2013, Chapter 226 Section 31, Subsection 156 To purchase, plan, design, construct, renovate, equip and furnish a community center for the San Joaquin del Rio de Chama land grant in Rio Arriba county.	Through 6/30/2017



STATE OF NEW MEXICO  
 SAN JOAQUIN DEL RIO DE CHAMA LAND GRANT  
 Projects Schedule - Detail  
 For the Year Ended June 30, 2015

Exhibit B

<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>Check Number</u>	<u>Check Date</u>	<u>Actual Amount Expended</u>	<u>Vendor Paid</u>
13-L-1748 STB	1	6/7/2014	<u>\$ 13,000.00</u>	<u>\$ 11,000.00</u>	7/16/2014	<u>\$ 11,000.00</u>	1228	7/24/2014	<u>\$ 11,000.00</u>	Russell Sand & Gravel

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

**Schedule of Findings and Responses  
Year Ended June 30, 2015**

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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>			
Late Report	D	N/A	2015-001
<b>Follow-up on Prior Year Findings:</b>			
None	N/A	N/A	N/A

There was no agreed-upon procedures report required for FY 2014

**\* 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**

**Schedule of Findings and Responses  
Year Ended June 30, 2015**

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**2015-001**

**Late Report**

**Criteria**

Office of the State Auditor, Rule 2015, Section 2.2.2.16.H, requires that local public bodies with a June 30 fiscal year end must submit the agreed-upon procedures report no later than five months after the fiscal year end or by December 1 of that year.

**Condition**

The San Joaquin del Rio de Chama Land Grant agreed-upon procedures report for the year ended June 30, 2015 was submitted more than five months after the fiscal year end.

**Cause**

The San Joaquin del Rio de Chama Land Grant did not submit a recommendation or contract for State Auditor approval until January 2016.

**Effect**

The San Joaquin del Rio de Chama Land Grant has not complied with Office of the State Auditor, Rule 2015, Section 2.2.2.16.H.

**Recommendation**

We recommend that the San Joaquin del Rio de Chama Land Grant submit all future agreed-upon procedures reports by the required deadline.

**Entity Response**

"In the future, the President and Treasurer of the San Joaquin Del Rio Chama Land Grant will insure that all future agreed-upon procedures reports are submitted by the required December 1st deadline."

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

**Exit Conference  
Year Ended June 30, 2015**

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**EXIT CONFERENCE**

The report contents were discussed at a telephonic exit conference held on February 12, 2016 with the following:

San Joaquin Del Rio de Chama Land Grant

By telephone:

Thelma O. Lovato-Chavez

Accounting Firm

James R. (Jim) Macias, CPA