



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

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, 2018

STATE OF NEW MEXICO

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

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Agreed-Upon Procedures – Tier 3**

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

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

Official Roster
at June 30, 2018

<u>Name</u>	<u>Title</u>
<u>Board of Directors</u>	
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



Macias, Gutierrez
& Co., P.C.

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

To: Leonard T. Martinez, President
San Joaquin Del Rio de Chama Land Grant (SJdRDCLG) #12020
and
Brian S. Colón, Esq.
New Mexico State Auditor

We have performed the procedures enumerated below, which were agreed to by the San Joaquin del Rio de Chama Land Grant 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 June 30, 2018, included in the accompanying information provided to us by management of the San Joaquin del Rio de Chama Land Grant. The San Joaquin del Rio de Chama Land Grant'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 June 30, 2018, included in the accompanying information provided to us by the management of the San Joaquin del Rio de Chama Land Grant. 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 under "Tiered System Reporting Main Page."

We verified SJdRdCLG's revenue calculation and tier determination. San Joaquin del Rio de Chama Land Grant's cash basis revenue was less than \$50,000 and had expended a portion of or the remainder of its state capital outlay appropriations. There were two projects.

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 the capital outlay award funds expended by the recipient that meet Tier 3 criteria.

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 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.

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 were two projects. For Project 15-0819, we examined one disbursement totaling \$43,000. For Project 16-A2477, we examined one disbursement totaling \$14,985.50.
- 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, 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 two capital assets 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 projects were 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

There were two projects that are complete. Project 15-0819, there was no unexpended balance. For Project 16-A2477, there was an unexpended balance of \$14.50 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 projects were 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 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. There were two projects. For Project 15-0819, we examined one reimbursement request totaling \$43,000. For Project 16-A2477, we examined one reimbursement request totaling \$14,985.50.

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 2018-001 on p. 4 of this report).

* * * * *

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, State-Funded Capital Outlay Expenditures and Reimbursements or Other for the San Joaquin del Rio de Chama Land Grant for the year ended June 30, 2018, included in the accompanying information provided to us by management of the San Joaquin del Rio de Chama Land Grant. 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 San Joaquin del Rio de Chama Land Grant, the New Mexico State Auditor's Office, 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 9, 2019

STATE OF NEW MEXICO
SAN JOAQUIN DEL RIO DE CHAMA LAND GRANT
Projects Schedule - Summary
For the Year Ended June 30, 2018

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>
15-0819 STB	1	<u>\$ 43,000.00</u>	<u>\$ 43,000.00</u>	<u>\$ 43,000.00</u>	<u>\$ -</u>	Laws of 2015, Chapter 3 Section 28, Subsection 173 to plan, design and construct an equipment storage facility for the San Joaquin del rio de Chama land grant in Rio Arriba county.	Through 6/30/2019
16-A2477 STB	1	<u>\$ 15,000.00</u>	<u>\$ 14,985.50</u>	<u>\$ 14,985.50</u>	<u>\$ 14.50</u>	Laws of 2016, Chapter 81 Section 22, Subsection 158 to purchase and install storage units for the San Joaquin del Rio de Chama land grant in Capulin in Rio Arriba county.	Through 6/30/2018

STATE OF NEW MEXICO
 SAN JOAQUIN DEL RIO DE CHAMA LAND GRANT
 Projects Schedule - Detail
 For the Year Ended June 30, 2018

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>
15-0819 STB	1	6/8/2017	<u>\$ 43,000.00</u>	<u>\$ 43,000.00</u>	7/20/2017	<u>\$ 43,000.00</u>	1481	7/26/2017	<u>\$ 43,000.00</u>	Magnum Steel Building
16-A2477 STB	1	12/6/2017	<u>\$ 15,000.00</u>	<u>\$ 14,985.50</u>	1/3/2018	<u>\$ 14,985.50</u>	1486	1/15/2018	<u>\$ 14,985.50</u>	Finchman Steel Bldg.

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

**Schedule of Findings and Responses
Year Ended June 30, 2018**

	<u>Type of Finding *</u>	<u>Prior Year Finding Number</u>	<u>Current Year Finding Number</u>
Current Year Findings:			
Late Report	D	N/A	2018-001
Follow-up on Prior Year Findings:			
None	N/A	N/A	N/A

An agreed-upon procedures was not required for the year ended June 30, 2017.

*** 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, 2018**

2018-001

Late Report (Noncompliance)

Criteria

Office of the State Auditor, Rule 2018, 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 15 of that year.

Condition

The San Joaquin del Rio de Chama Land Grant agreed-upon procedures report for the year ended June 30, 2018 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 March 2019 and, therefore, could not meet the reporting deadline.

Effect

The San Joaquin del Rio de Chama Land Grant has not complied with Office of the State Auditor, Rule 2018, 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

"The President of San Joaquin Del Rio de Chama Land Grant/Merced will immediately take appropriate steps to ensure that future agreed upon procedures will be done within the time frame set by the State Auditor of New Mexico."

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

**Exit Conference
Year Ended June 30, 2018**

EXIT CONFERENCE

The report contents were discussed at a telephonic exit conference held on April 23, 2019 with the following:

San Joaquin Del Rio de Chama Land Grant

By telephone:

Leonard T. Martinez, President

Accounting Firm

James R. (Jim) Macias, CPA