

SAN JUAN COUNTY PARTNERSHIP, INC.
(A NONPROFIT ORGANIZATION)
FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION
YEARS ENDED June 30, 2011 and 2010
WITH
REPORT OF CERTIFIED PUBLIC ACCOUNTANT

DALE GERBER, CPA P.C.

Certified Public Accountant



*" Working together with people of all ages
and cultures, to develop community wellness
and prevention awareness. "*



October 31, 2011

Dear Friends of San Juan County Partnership, Inc.,

The fiscal reporting in this audit is reflective of the quality programming provided by the Partnership. As budgeting continues to be a challenge, we consistently implemented evidence-based programs that reflect the mission of our organization.

Funding received from New Mexico Mortgage Finance Authority which originated in the American Recovery and Reinvestment Act (ARRA) to provide rental and utility assistance has been particularly well utilized. Over the past two and a half years, 1000 families have been assisted with housing placement, and eviction or utility disconnection prevention. The impact of this assistance on the community is great. Residents who have a roof over their heads are able to function as members of the community, contributing to its overall wellbeing.

The Positive Community Norms campaign continues to produce positive outcomes in recognition, correction of misperception and in spreading positive community spirit. Results of this year's surveys indicate that we are on track with the Most of Us ® model, wherein we are beginning to see changes in risk behaviors in our young people. Most of all, the campaign focuses on what is going well with our youth and in our communities—a refreshing and inspiring change in community messaging.

We see our AmeriCorps members develop into professional, contributing members of the community who then move forward to continue their education or pay student loans with the financial award they receive upon completion of the program. We have had some amazing young and not so young people in the program who learned a great deal from their commitments with the program and from each other. They provided a tremendous number of service hours to the community.

The 21st Century Community Learning Centers in Aztec, located at Lydia Rippey and Koogler school sites, provided a safe, friendly, learning environment to over 160 children. The Centers focus on homework completion and academic tutoring to help children succeed in school, which increases attendance and decreases tardiness and behavior issues. For the most part, the program helps children feel good about themselves, which is the cornerstone of prevention.

San Juan County Partnership is recognized as one of the leading prevention programs in the State and is called upon to provide input on statewide initiatives. We have a dedicated and professional staff and we rely heavily on community involvement and support, so our success reflects back on the community. It is our pleasure to work with residents, Partnership members, our dedicated Board of Directors, other organizations and tribal and local government entities in fulfilling our purpose.

Sincerely,

A handwritten signature in black ink, appearing to read "Pamela Drake".

Pamela Drake
Director

SAN JUAN COUNTY PARTNERSHIP, INC

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SAN JUAN COUNTY PARTNERSHIP, INC

OFFICIAL ROSTER
June 30, 2011

Jenniffer Valora	Chairperson
Tim Carver	Vice-Chairperson
David Baker	Secretary/Treasurer
Chief Mike Kovacs	Member
Martha Wooten	Member
George DiRe	Member
Stormy Max	Member
Jessica Polatty	Member
Pamela Anderson	Executive Director

FINANCIAL SECTION

DALE GERBER, CPA PC
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

BOARD OF DIRECTORS,
SAN JUAN COUNTY PARTNERSHIP, INC.

We have audited the accompanying statements of financial position of San Juan County Partnership, Inc., (a nonprofit organization) as of June 30, 2011 and 2010, and the related statements of unrestricted activities, functional expenses, and cash flows, for the years then ended. These financial statements are the responsibility of San Juan County Partnership, Inc. management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of San Juan County Partnership Inc, as of June 30, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2011 on our consideration of San Juan County Partnership Inc internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Dale Gerber CPA PC

Farmington, New Mexico
September 29, 2011

San Juan County Partnership Inc
Statement Of Financial Position
June 30, 2011 and 2010

	2011	2010
ASSETS		
Current Assets:		
Cash and Equivalents	\$ 345,915	\$ 463,390
Government Contract Receivables	224,943	272,197
Total Current Assets	570,858	735,587
Property and Equipment:		
Computers and Equipment	18,868	19,351
Vehicles	45,824	45,824
	64,692	65,175
Less Accumulated Depreciation	53,288	47,063
Net Book Value	11,404	18,112
Total Assets	\$ 582,262	\$ 753,699
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts Payable	\$ 54,106	\$ 78,169
Accrued Expenses	3,587	3,022
Accumulated Compensated Absences	19,656	23,270
Total Current Liabilities	77,349	104,461
Net Assets:		
Unrestricted	504,913	649,238
Total Net Assets	504,913	649,238
Total Liabilities and Net Assets	\$ 582,262	\$ 753,699

See Accompanying Notes.

San Juan County Partnership Inc
Statement Of Unrestricted Activities
For the Years Ended June 30, 2011 and 2010

	2011	2010
Unrestricted Support and Revenues:		
Support:		
Grants and Contracts	\$ 1,481,532	\$ 1,619,697
Revenues:		
Interest Income	65	178
Donated Rent - San Juan College	21,461	21,461
Other Program Revenues	9,147	17,256
Total Unrestricted Revenues	30,673	38,895
Total Unrestricted Support and Revenues	1,512,205	1,658,592
Expenses:		
Program Expenses:		
21st Century Learning	180,305	172,010
Substance Abuse Prevention	922,569	1,023,900
Housing Assistance	395,330	446,598
Community Prevention & Wellness	117,794	70,853
Total Program Expenses	1,615,998	1,713,361
Supporting Services:		
Management and General	40,532	76,624
Total Expenses	1,656,530	1,789,985
Increase (Decrease) in Unrestricted Net Assets	(144,325)	(131,393)
Net Assets, Beginning	649,238	780,631
Net Assets, Ending	\$ 504,913	\$ 649,238

See Accompanying Notes.

San Juan County Partnership Inc
Statement Of Functional Expenses
For the Year Ended June 30, 2011
With Comparative Totals for the Year Ended June 30, 2010

					Supporting Services			
	21st Century Learning	Substance Abuse Prevention	Housing Assistance	Community Prevention & Wellness	Management & General	2011 Total	2010 Total	
Salaries	\$ 141,764	\$ 405,026	\$ 130,338	\$ 10,592	\$ -	\$ 687,720	\$ 735,728	
Payroll Taxes	10,845	38,726	9,972	810	-	60,353	63,299	
Employee Benefits	8,487	42,762	8,611	1,769	17	61,646	50,237	
Program Services	11,341	-	-	-	-	11,341	43,836	
Program Expenses	702	174,509	228,333	100,197	21,732	525,473	598,686	
Travel	700	19,353	2,198	1,749	833	24,833	18,788	
Supplies	239	4,872	2,422	389	905	8,827	24,756	
Bank Charges	-	-	-	-	34	34	159	
Insurance	930	9,926	431	-	817	12,104	12,137	
Professional Services	1,098	167,715	2,914	-	2,548	174,275	130,045	
Communication	1,109	7,201	4,426	337	1,276	14,349	21,039	
Rent	1,717	25,353	2,746	1,717	3,202	34,735	34,384	
Training	1,148	18,812	1,985	-	417	22,362	595	
State Planning Meeting	-	-	-	-	-	-	31,906	
Depreciation	-	-	-	-	6,670	6,670	6,707	
Postage	15	1,516	28	170	2,081	3,810	3,924	
Vehicle Expense	210	6,798	926	64	-	7,998	13,759	
Totals	\$ 180,305	\$ 922,569	\$ 395,330	\$ 117,794	\$ 40,532	\$ 1,656,530	\$ 1,789,985	

See Accompanying Notes.

San Juan County Partnership Inc
Statement Of Functional Expenses
For the Year Ended June 30, 2010
With Comparative Totals for the Year Ended June 30, 2009

					<u>Supporting Services</u>			
	<u>21st Century Learning</u>	<u>Substance Abuse Prevention</u>	<u>Housing Assistance</u>	<u>Community Prevention & Wellness</u>	<u>Management & General</u>	<u>2010 Total</u>	<u>2009 Total</u>	
Salaries	\$ 136,369	\$ 421,034	\$ 120,905	\$ 32,683	\$ 24,737	\$ 735,728	\$ 622,606	
Payroll Taxes	10,432	34,197	9,249	2,500	6,921	63,299	51,394	
Employee Benefits	7,596	32,608	4,799	5,093	141	50,237	34,947	
Program Services	9,740	9,096	-	25,000	-	43,836	1,593,508	
Program Expenses	947	282,886	299,956	16	14,881	598,686	485,696	
Travel	1,082	13,147	1,601	507	2,451	18,788	23,068	
Supplies	748	16,908	3,019	109	3,972	24,756	5,803	
Bank Charges	-	-	-	-	159	159	2,151	
Insurance	1,000	9,964	500	500	173	12,137	12,262	
Professional Services	-	123,412	-	1,000	5,633	130,045	111,207	
Communication	1,918	8,820	3,953	672	5,676	21,039	15,471	
Rent	1,717	24,582	2,181	2,685	3,219	34,384	25,644	
Training	-	595	-	-	-	595	3,097	
State Planning Meeting	-	31,906	-	-	-	31,906	56,329	
Depreciation	-	-	-	-	6,707	6,707	6,250	
Postage	200	3,317	73	30	304	3,924	4,534	
Vehicle Expense	261	11,428	362	58	1,650	13,759	8,644	
Totals	\$ 172,010	\$ 1,023,900	\$ 446,598	\$ 70,853	\$ 76,624	\$ 1,789,985	\$ 3,062,611	

See Accompanying Notes.

San Juan County Partnership Inc
Statement Of Cash Flows
For the Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash Flow from Operating Activities:		
Increase (Decrease) in Net Assets	\$ (144,325)	\$ (131,393)
Adjustments to Reconcile Net Income to		
Net Cash Provided (Used) by Operating Activities:		
Depreciation	6,670	6,707
Changes in Operating Assets and Liabilities:		
Accounts Receivable	47,254	235,476
Accounts Payable	(24,063)	(286,878)
Accrued Expenses	(3,049)	2,453
Net Cash Provided (Used) by Operating Activities	<u>(117,513)</u>	<u>(173,635)</u>
Cash Flows From Investing Activities:		
Loss on Disposal of Equipment	1,782	-
Purchases of Fixed Assets	(1,744)	(3,531)
Net Cash Provided (Used) by Investing Activities	<u>38</u>	<u>(3,531)</u>
Net Increase (Decrease) in Cash	(117,475)	(177,166)
Cash at the Beginning of the Year	<u>463,390</u>	<u>640,556</u>
Cash at the End of the Year	<u>\$ 345,915</u>	<u>\$ 463,390</u>

See Accompanying Notes.

SAN JUAN COUNTY PARTNERSHIP, INC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED June 30, 2011 and 2010

1. Summary of Significant Accounting Policies

This summary of significant accounting policies of San Juan County Partnership Inc is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

A. Organization

San Juan County Partnership, Inc. was established and incorporated in 1993 as a nonprofit organization under the laws of the State of New Mexico to facilitate providing a complete range of health and welfare services to the community of San Juan County.

Funding is provided principally by government grants through the State of New Mexico Children Youth and Families Department, the U.S. Department of Health & Human Services, Department of Education, Housing & Urban Development, and the Department of Justice. Other funding is received from San Juan County, membership fees, subcontract services, and contributions. San Juan County Partnership, Inc. operates under an elected Board of Directors.

The Organization operates several programs related to their exempt purpose as follows:

21st Century Learning

This program offers after school enrichment programs to include study skills, parental involvement, coordinate resources at each school, perform program evaluation and prepare performance data, and attend all required meetings by the New Mexico Public Education Department. Funding is provided by the U.S. Department of Education.

Substance Abuse Prevention

This program provides a wide diversity of individual programs that prevent, reduce, and remediate drug and alcohol related behaviors in the community. Activities include, but are not limited to, designing prevention programs, policy development, public presentations, and monitoring program results and outcomes. Some of the individual programs include OSAP, AmeriCorps, Meth Prevention, Total Community Approach, and local underage substance abuse prevention programs. Funding is provided by Federal, State, and local sources.

SAN JUAN COUNTY PARTNERSHIP, INC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED June 30, 2011 and 2010

1. Summary of Significant Accounting Policies

A. Organization (continued)

Housing Assistance

This program includes payments for eligible individuals for assistance with housing and utility charges. Funding is provided from the U.S. Department of Housing and Urban Development, and New Mexico Mortgage Finance Authority.

Community Prevention & Wellness

This program provides coordination of community health activities including development and participation in the Community Health Council, and assessment and planning. Funding is provided by various State grants.

B. Income Taxes

San Juan County Partnership, Inc. is exempt from income tax under Section 501(C)(3) of the Internal Revenue Code. There was no unrelated business income.

C. Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. As of June 30, 2011 and 2010, cash consisted of demand deposits and brokered money market account.

D. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

E. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

SAN JUAN COUNTY PARTNERSHIP, INC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED June 30, 2011 and 2010

1. Summary of Significant Accounting Policies (cont.)

F. Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated assets are placed in service. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Normal maintenance and repairs are expensed as incurred. Assets costing \$500 and over are capitalized and depreciated on the straight line method over their estimated useful life of five to seven years.

G. Financial Statement Presentation and Basis of Accounting

The accompanying financial statements have been prepared in conformity with the standards codification adopted by the Financial Accounting Standards Board, *Financial Statements of Not-For-Profit Entities*. All the net assets of the Organization are classified as unrestricted. The accompanying financial statements have been prepared on the accrual basis of accounting.

2. Concentrations of Risk

The bank accounts of San Juan County Partnership, Inc. at Wells Fargo Bank, and Fidelity Investments are secured by the Federal Deposit Insurance Corporation (F.D.I.C.) up to \$250,000. At June 30, 2011, deposits of \$358,584 were covered by F.D.I.C.

3. Government Contract Receivables

The amount of receivables recognized in the financial statements from government contracts consist of revenue earned but not received as of June 30 from state, federal and other grant and contract providers. Claims for services are subject to denial by the providers and may be appealed by San Juan County Partnership Inc. No allowance for doubtful accounts has been provided based on the history and ageing of accounts. All receivables are considered fully collectable.

SAN JUAN COUNTY PARTNERSHIP, INC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED June 30, 2011 and 2010

4. Amount Held in Trust for Others

San Juan County Partnership acts as fiscal agent for other organizations. The financial position and results of operations for these Organizations are not included in the Partnership's financial statements. As of June 30, 2011 and 2010 the following funds were held for other organizations and are included in accounts payable on the statement of financial position.

	<u>2011</u>	<u>2010</u>
San Juan Step	\$16,278	\$10,496
Citizens Concerned about Addiction	-	699
CCH	-	100
Healthy Infant Practices	46	4,978
Mane Focus	192	1,500
Total	<u>\$16,516</u>	<u>\$17,773</u>

5. Retirement Plan

On June 1, 2011 the Organization terminated its earlier 403b qualified employee retirement plan, and adopted a new simplified employee pension-individual retirement plan (SEP). The new plan requires the Organization to contribute 1% of employee gross wages to eligible employees who have performed services in at least the previous 90 days up to the maximum statutory legal limit. Contributions vest to the employee immediately upon contribution. For the years ending June 30, 2011 and 2010 the Organization incurred an expense of \$886 and \$850.

6. Contingencies and Commitments

The Organization receives financial assistance from federal and state sources in the form of grants and contracts. The funds received are generally limited to specific compliance requirements as specified in the grant agreement. The agencies reserve the right to review the scope of the audit and conduct a follow-up review if deemed necessary. Any disallowed claims resulting from such audits could become a liability of the Organization. The Organization, however, believes that liability resulting from disallowed claims, if any, will not have a material effect on the financial position. For the year ended June 30, 2011, the Organization received approximately 97% percent of its support and revenues from contracts with Federal and State agencies.

7. Accumulated Compensated Absences

Accumulated compensated absences consist of employee paid time off earned, but not used. As of June 30, 2011 and 2010 accumulated compensated absences are valued at the employee current rate of pay of \$19,656 and \$23,270, respectively. This amount has been recorded in the statement of financial position as a liability.

SAN JUAN COUNTY PARTNERSHIP, INC
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED June 30, 2011 and 2010

8. Leases

San Juan County Partnership has entered into a lease agreement with San Juan College for the use and occupancy of office space used as their administrative and program headquarters. The lease terms provide for renewal each year. For years ending June 30, 2011 and 2010, the annual fair market rental value of the office is estimated at \$34,735 and \$34,384, and is recorded as an expense. During the years ending June 30, 2011 and 2010 the Partnership paid San Juan College \$12,218 and \$12,923, and San Juan College's contribution of \$21,461 and \$21,461, respectively, is recorded as donated rent revenue. The Partnership provides educational and community wraparound services for San Juan College in return for office space.

**COMPLIANCE AND INTERNAL CONTROL
STRUCTURE REPORTS**

DALE GERBER, CPA PC
Certified Public Accountant

**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
San Juan County Partnership, Inc.

We have audited the financial statements of San Juan County Partnership, Inc. (a nonprofit organization) as of and for the year ended June 30, 2011, and have issued our report thereon dated September 29, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether San Juan County Partnership Inc's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered San Juan County Partnership Inc's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the San Juan County Partnership Inc's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal controls over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected on a timely basis.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended for the information of the Board of Directors, management, State of New Mexico, and federal awarding agency, and is not intended to be and should not be used by anyone other than those specified parties.

Dale Gerber CPA PC

Farmington, New Mexico
September 29, 2011

DALE GERBER, CPA PC
Certified Public Accountant

**INDEPENDENT AUDITORS REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND ON INTERNAL CONTROLS OVER COMPLIANCE
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
San Juan County Partnership, Inc.

Compliance

We have audited San Juan County Partnership Inc compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of San Juan County Partnership Inc major federal programs for the year ended June 30, 2011. San Juan County Partnership Inc's major federal programs are identified in the summary of auditor's results section. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of San Juan County Partnership Inc's management. Our responsibility is to express an opinion on San Juan County Partnership Inc's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and *OMB Circular A-133* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about San Juan County Partnership Inc's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of San Juan County Partnership Inc's compliance with those requirements.

In our opinion, San Juan County Partnership Inc complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal control Over Compliance

Management of San Juan County Partnership Inc is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered San Juan County Partnership Inc's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of San Juan County Partnership Inc's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than those specified parties.

Dale Gerber CPA PC

Farmington, New Mexico
September 29, 2011

SUPPLEMENTAL INFORMATION

SAN JUAN COUNTY PARTNERSHIP, INC.

SCHEDULE OF FINDINGS
Year Ending June 30, 2011

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

Type of auditor's report issued Unqualified

Internal control over financial reporting:

Material weaknesses identified No

Deficiencies identified that are
considered to be material weaknesses No

Noncompliance material to financial statements noted No

Federal Awards:

Internal control over major programs:

Material weaknesses identified No

Deficiencies identified that are
considered to be material weaknesses No

Type of auditor's report issued on compliance for
major programs Unqualified

Any audit findings disclosed that are required to be reported
in accordance with section 510 (a) of Circular A-133 No

Identification of major programs:

U.S. Department of Health and Human Services:

Tobacco Use Prevention and Control/ARRA CFDA # 93.723

Drug Free Community Support 93.276

SAPT/Pre K/12-17 93.959

Sober Truth on Preventing Underage Drinking 93.243

Dollar threshold used to distinguish between

Type A and Type B programs \$300,000

Auditee qualified as low-risk auditee Yes

SAN JUAN COUNTY PARTNERSHIP, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2011

SECTION II - FINANCIAL STATEMENT FINDINGS

No reportable findings.

SAN JUAN COUNTY PARTNERSHIP, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2011**

SECTION III - MAJOR FEDERAL AWARD FINDINGS

Information on the major federal program:

U.S. Department of Health and Human Services:

Tobacco Use Prevention and Control/ARRA	CFDA #	93.723
Drug Free Community Support		93.276
SAPT/Pre K/12-17		93.959
Sober Truth on Preventing Underage Drinking		93.243

No Findings reportable.

SAN JUAN COUNTY PARTNERSHIP, INC.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDING June 30, 2011**

<u>Federal Grantor/ Pass-Through Grantor/ Program Title</u>	<u>CFDA/Pass- Through Grantor's Number</u>	<u>Agency or Pass Through Number</u>	<u>Expenditures</u>
U.S. DEPARTMENT OF JUSTICE:			
Direct:			
Second Chance for New Mexico Youth Collaborative	16.726	n/a	\$ 99,320
Passed thru State of New Mexico:			
Children Youth & Families: Underage Drinking	16.727	10-690-9984-1	\$ 23,768
Total U.S. Dept. of Justice			<u>123,088</u>
U.S. DEPARTMENT OF URBAN DEVELOPMENT:			
Direct Programs:			
Office of Community Planning & Development: Supportive Housing Agreement	14.235	NM37036	82,201
Passed through Local Agency:			
City of Farmington: Tenant Based Rental Assistance Program	14.228	11-86632	11,509
Mortgage Finance Authority: Homeless Prevention and Rapid Re-housing (ARRA)	14.257	09-08-SJC-HPR-001	226,733
Homeless Prevention	14.231	09-02-SJC-TSS-002	15,843
Home Investment Partnership Program, Tenant Based Rental Assist.	14.239	10-01-SJC-TBA-001/ADM	54,807
Total Department of Urban Development			<u>391,093</u>
U.S. DEPARTMENT OF EDUCATION:			
Passed through State of New Mexico:			
21 st Century/T.G.I.F.	84.287C	09-924-P527-0185	180,305
Total U.S. Dept of Education			<u>180,305</u>
U.S. DEPARTMENT OF HEALTH:			
Direct Programs:			
Drug Free Community Support	93.276	3H79SP016377-02S1	119,559
Sober Truth on Preventing Underage Drinking Act	93.243	5H79SP015502-02	39,357
Passed through State or Local Governments:			
Office of Substance Abuse Prevention/Dept of Health:			
Tobacco Use Prevention	93.723		60,000
SAPT/Pre K/12-17	93.959		100,000
CBP	93.959		48,824
SPF SIG	93.959		40,132
Total Department of Health			<u>407,872</u>

* Major Program

SAN JUAN COUNTY PARTNERSHIP, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDING June 30, 2011

<u>Federal Grantor/ Pass-Through Grantor/ Program Title</u>	<u>CFDA/Pass- Through Grantor's Number</u>	<u>Agency or Pass Through Number</u>	<u>Expenditures</u>
(Continued)			
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE:			
Passed through State of New Mexico:			
Americorps	94.006	09-924-P527-0185	<u>79,473</u>
Total Federal Awards			<u>\$1,181,831</u>

BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of San Juan County Partnership, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB circular a-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

* Major Program