



MACIAS, GUTIERREZ & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ESPANOLA, NEW MEXICO
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STATE OF NEW MEXICO

LA MERCED DEL PUEBLO DE CHILILI (CHILILI LAND GRANT)

Independent Accountants' Report on Applying
Agreed-Upon Procedures

Year Ended June 30, 2012

STATE OF NEW MEXICO

**LA MERCED DEL PUEBLO DE CHILILI
(CHILILI LAND GRANT)**

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**STATE OF NEW MEXICO
LA MERCED DEL PUEBLO DE CHILILI (CHILILI LAND GRANT)**

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**STATE OF NEW MEXICO
LA MERCED DEL PUEBLO DE CHILILI (CHILILI LAND GRANT)**

**Official Roster
at June 30, 2012**

<u>Name</u>	<u>Title</u>
<u>Board of Directors</u>	
Juan Sanchez	President
Gilbert Ortiz	Secretary
Alex Gutierrez	Treasurer
Max Gutierrez	Member
Herman Ortiz	Member



Macias, Gutierrez
& Co., P.C.

*Certified Public Accountants
Member AICPA, NMSCPA*

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To: Juan Sanchez, President
La Merced del Pueblo de Chilili (Chilili Land Grant)
and
Honorable Hector H. Balderas
New Mexico State Auditor

We have performed the procedures enumerated below for La Merced del Pueblo de Chilili (Chilili Land Grant) for the year ended June 30, 2012, solely to assist La Merced del Pueblo de Chilili in demonstrating compliance with the provisions of Laws of 2008, Chapter 92, Section 59, Paragraph 328 and Laws of 2010, Chapter 105, as set forth in the accompanying Projects Schedules – Summary and Detail, Exhibits A and B. La Merced del Pueblo de Chilili 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 La Merced del Pueblo de Chilili through the Office of the New Mexico State Auditor. La Merced del Pueblo de Chilili'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) Except as shown on Exhibit B and described below, 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 checks, as appropriate. On Pay Request #2, the grantee expended \$5,797.86 (invoice amount) but requested only \$4,223.83, the balance in the grant at that time. The grantee paid the difference, \$1,574.03 from local funds. The grant was subsequently increased by \$15,276.41 with further payments totaling \$15,200 leaving a grant balance of \$76.41, which reverted.
- 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) and Regulations Governing the Per Diem and Mileage Act (2.42.2 NMAC).
- d) We determined the physical existence (by observation) of the 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 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 the unexpended balance reverted per statute and 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 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.

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, or any internal control deficiencies. However, see the Schedule of Findings and Responses for a noncompliance issue related to Late 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 La Merced del Pueblo de Chilili, 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
December 10, 2012

STATE OF NEW MEXICO
 LA MERCED DEL PUEBLO DE CHILILI (CHILILI LAND GRANT)
 Projects Schedule - Summary
 For the Year Ended June 30, 2012

Exhibit A

<u>Grant No.</u>	<u>Pay Request</u>	<u>Total Amount Awarded</u>	<u>Amount Requested/ Received</u>	<u>Grant Amount Expended</u>	<u>Requested Remaining Balance</u>	<u>Actual Legislation</u>	<u>Effective Dates</u>
08-L-G-4378		\$ 50,000.00				Laws of 2008, Chapter 92 Section 59, Paragraph 328	Through 8/29/2012
	1		\$ 30,499.76	\$ 30,499.76	\$ 19,500.24	To purchase and install solar water pump units and a wood chipper for La Merced del Pueblo de Chilili land grant in Bernalillo County	
	2		4,223.83	4,223.83	15,276.41		
	3		<u>15,200.00</u>	<u>15,200.00</u>	<u>76.41</u>		
			<u>\$ 49,923.59</u>	<u>\$ 49,923.59</u>	<u>\$ 76.41</u>		

STATE OF NEW MEXICO
 LA MERCED DEL PUEBLO DE CHILILI (CHILILI LAND GRANT)
 Projects Schedule - Detail
 For the Year Ended June 30, 2012

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 Received</u>	<u>Invoice Amount</u>	<u>Check Number</u>	<u>Check Date</u>	<u>Actual Amount Expended</u>
			Initial \$34,723.59						
			Increase - Amendment No. 1 15,276.41						
08-L-G-4378			\$ 50,000.00						
	1	3/1/2012		\$ 30,499.76	4/13/2012	\$ 30,499.76	1465	2/27/2012	\$ 30,499.76
	2	3/12/2012		4,223.83	4/13/2012	5,797.86	1446	7/28/2011	5,797.86
	3	5/9/2012		15,200.00	5/25/2012	15,200.00	1471 1473	4/30/2012 5/7/2012	5,000.00 10,200.00
				<u>\$ 49,923.59</u>		<u>\$ 51,497.62</u>			<u>\$ 51,497.62</u>

**STATE OF NEW MEXICO
LA MERCED DEL PUEBLO DE CHILILI (CHILILI LAND GRANT)**

**Schedule of Findings and Responses
Year Ended June 30, 2012**

	<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	2012-1
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
LA MERCED DEL PUEBLO DE CHILILI (CHILILI LAND GRANT)**

**Schedule of Findings and Responses
Year Ended June 30, 2012**

2012-1

Late Report

Criteria

Office of the State Auditor, Rule 2012, 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 December 1.

Condition

La Merced del Pueblo de Chilili (Chilili Land Grant) has a June 30 year end but the agreed upon procedures report for the year ended June 30, 2012 was submitted after December 1, 2012.

Cause

La Merced del Pueblo de Chilili was unable to provide the IPA appropriate requested documents to support the state funded capital outlay expenditures in a timely manner.

Effect

La Merced del Pueblo de Chilili (Chilili Land Grant) has not complied with Office of the State Auditor, Rule 2012, Section 2.2.2.16.H.

Recommendation

We recommend that La Merced del Pueblo de Chilili (Chilili Land Grant) submit all future agreed-upon procedures reports by the required deadline.

Entity Response

“La Merced del Pueblo de Chilili will submit all future agreed upon procedures reports that are required by the deadline.”

**STATE OF NEW MEXICO
LA MERCED DEL PUEBLO DE CHILILI (CHILILI LAND GRANT)**

**Exit Conference
Year Ended June 30, 2012**

EXIT CONFERENCE

The report contents were discussed at an exit conference held on December 10, 2012 with the following in attendance:

La Merced del Pueblo de Chilili (Chilili Land Grant)

Juan Sanchez, Board President

Accounting Firm

James R. (Jim) Macias, CPA