



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 (Tier 3)

Year Ended June 30, 2016

STATE OF NEW MEXICO

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

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

Year Ended June 30, 2016

**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, 2016

<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.

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

To: Juan Sanchez, President
La Merced del Pueblo de Chilili (Chilili Land Grant)
and
Honorable Timothy M. Keller
New Mexico State Auditor

We have performed the procedures enumerated below, which were agreed to by La Merced del Pueblo de Chilili on the Tier Verification, Capital Outlay Expenditures and Reimbursements and Other for the year ended June 30, 2016, included in the accompanying information provided to us by management of La Merced del Pueblo de Chilili. La Merced del Pueblo de Chilili is responsible for the Tier Verification, Capital Outlay Appropriations and Other as of December 31, 2016, included in the accompanying information provided to us by the management of La Merced del Pueblo de Chilili. The sufficiency of these procedures is solely the responsibility of those 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:

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. Before beginning the procedures below, the IPA must verify the local public body's revenue calculation and tier determination using the form provided at www.osanm.org under "Tiered System Reporting Main Page."

We verified La Merced del Pueblo de Chilili's revenue calculation and tier determination. La Merced del Pueblo de Chilili's cash basis revenue was less than \$50,000 and met the other criteria for **Tier 3 determination**.

2. **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.

Results of Procedures Performed

- 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 checks, as appropriate. For Project 14-1887-STB, we examined four invoices totaling \$35,000.01 for the year ended June 30, 2016.
- 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) Since the project was to only plan and design a fire department building, we could not determine 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.

3. 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.

Results of Procedures Performed

The project was not intended to be funded in advance but on a reimbursement basis.

4. 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.

Results of Procedures Performed

The project is complete and there was no unexpended balance in agreement with the grantor.

5. 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.

Results of Procedures Performed

Since the project was approved on a reimbursement basis, no separate fund or bank account was required.

6. 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.

Results of Procedures Performed

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. For Project 14-1887-STB, we examined three requests for reimbursement totaling \$35,000.00 for the year ended June 30, 2016.

7. 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.

Results of Procedures Performed

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 (Finding 2016-001, p. 4).

* * * * *

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, Capital Outlay Expenditures and Reimbursements and Other of La Merced del Pueblo de Chilili for the year ended June 30, 2016, included in the accompanying information provided to us by management of La Merced del Pueblo de Chilili. 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 La Merced del Pueblo de Chilili, the New Mexico State Auditor's Office and 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.
Española, New Mexico
May 8, 2017

STATE OF NEW MEXICO
 LA MERCED DEL PUEBLO DE CHILILI (CHILILI LAND GRANT)
 Projects Schedule - Summary
 For the Year Ended June 30, 2016

Exhibit A

Grant No.	Pay Request	Total Amount Awarded	Amount Requested/ Received	Grant Amount Expended	Requested Remaining Balance	Actual Legislation	Effective Dates
		\$ 35,000.00				Laws of 2014, Chapter 66 Section 22, Paragraph 75, to plan and design a fire department building for La Merced del Pueblo de Chilili land grant in Bernalillo County	Through 6/30/2018
	1		\$ 12,922.81	\$ 12,922.81	\$ 22,077.19		
	2		16,557.90	16,557.90	5,519.29		
	3		5,519.29	5,519.29	-		
			<u>\$ 35,000.00</u>	<u>\$ 35,000.00</u>	<u>\$ -</u>		

STATE OF NEW MEXICO
 LA MERCED DEL PUEBLO DE CHILILI (CHILILI LAND GRANT)
 Projects Schedule - Detail
 For the Year Ended June 30, 2016

Exhibit B

Grant No.	Pay Request	Certification/ Request Date	Amount Awarded	Amount Requested/ Received	Date Received	Invoice Amount	Check Number	Check Date	Actual Amount Expended	Vendor Paid
14-1887-STB			\$ 35,000.00							
	1	12/29/2015		\$ 12,922.81	1/28/2016	\$ 2,818.24	1629	8/18/2015	\$ 2,818.24	RMKM Architecture, PC
						10,104.57	1673	10/29/2015	10,104.57	RMKM Architecture, PC
						12,922.81			12,922.81	
	2	3/28/2016		16,557.90	4/20/2016	16,557.90	1677	1/18/2016	16,557.90	RMKM Architecture, PC
	3	6/7/2016		5,519.29	7/6/2016	5,519.30	1685	4/11/2016	5,519.30	RMKM Architecture, PC
				<u>\$ 35,000.00</u>		<u>\$ 35,000.01</u>			<u>\$ 35,000.01</u>	

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

**Schedule of Findings and Responses
Year Ended June 30, 2016**

	<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	2016-001

Follow-up on Prior-Year Findings:

An agreed-upon procedures report was not required for the year ended June 30, 2015

*** 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, 2016**

2016-001

Late Report

Criteria

Office of the State Auditor, Rule 2016, Section 2.2.2.16.G, states that local public bodies with a June 30 fiscal year-end must submit the agreed upon procedures report no later than December 15.

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, 2016 was submitted after December 15, 2016.

Cause

La Merced del Pueblo de Chilili did not submit the IPA recommendation or AUP contract to the State Auditor by the deadline and 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 2016, Section 2.2.2.16.G.

Recommendation

We recommend that La Merced del Pueblo de Chilili (Chilili Land Grant) complete the recommendation and contract forms and submit all future agreed-upon procedures reports by the required deadlines.

Entity Response

“The President of La Merced del Pueblo de Chilili (Chilili Land Grant) will insure that all future agreed-upon procedures IPA recommendations, the contracts and the engagement reports will be submitted timely.”

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

**Exit Conference
Year Ended June 30, 2016**

EXIT CONFERENCE

The report contents were discussed in an exit conference held on May 8, 2017 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