

**STATE OF NEW MEXICO  
NORTH RANCHOS DE PLACITAS  
WATER AND SANITATION DISTRICT**

**Independent Accountants' Report on  
Applying Agreed-Upon Procedures**

**For the Year Ended  
June 30, 2015**

**STATE OF NEW MEXICO**  
**NORTH RANCHOS DE PLACITAS**  
**WATER AND SANITATION DISTRICT**  
JUNE 30, 2015  
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**STATE OF NEW MEXICO  
NORTH RANCHOS DE PLACITAS  
WATER AND SANITATION DISTRICT  
OFFICIAL ROSTER  
JUNE 30, 2015**

**Board of Directors**

<u>Name</u>	<u>Title</u>
Trey Young	President
Emil Schukar	Treasurer
Kim Downing	Secretary
Brent Burdick	Director
Don Lewis	Director

**Administration**

Jeanne Burnley	Bookkeeper
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**INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED-UPON PROCEDURES**

Board of Directors  
North Ranchos de Placitas Water  
and Sanitation District  
and  
Honorable Timothy Keller  
New Mexico State Auditor  
Santa Fe, New Mexico

We have performed the procedures enumerated below which were agreed to by the North Ranchos de Placitas Water and Sanitation District (the "District") and the New Mexico State Auditor (the specified parties), solely to assist users in evaluating the District's financial reporting relating to its Cash, Capital Assets, Revenues, Expenditures, Journal Entries, and Budget information and its compliance with Section 12-6-3(B) NMSA 1978 and Section 2.2.2.16 NMAC, as of and for the year ended June 30, 2015. The District is responsible for its financial reporting as described above. 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.

In accordance with Tier 4 of the Audit Act – Section 12-6-3 B (4) NMSA 1978 and Section 2.2.2.16 NMAC, our procedures and associated findings are as follows:

**1. CASH**

**Procedures**

a) Determine whether bank reconciliations are being performed in a timely manner and whether all bank and investment statements for the fiscal year are complete and on-hand. For purposes of performing our procedures "timely" means completion of the bank reconciliations within one month after the last day of the reporting month and "complete" means that statements for bank and investment accounts are all accounted for by the District.

b) Perform a random test of bank reconciliations for accuracy. Also, trace ending balances to the general ledger, supporting documentation and the financial reports submitted to Department of Finance & Administration - Local Government Division (DFA-LGD). For purposes of performing our procedures "accuracy" means that reconciling items agree to deposit slips and subsequent bank or investment statements, and the reconciliations are mathematically correct.

c) Determine whether the local public body's financial institutions have provided it with the 50% of pledged collateral on all uninsured deposits as required by Section 6-10-17 NMSA 1978, NM Public Money Act, if applicable.

### **Findings**

Bank accounts were complete and reconciled timely. 2 of 12 reconciliations were tested for accuracy and traced to the general ledger without exception. Financial reports were submitted to DFA without exception. Pledged collateral was not required.

## **2. CAPITAL ASSETS**

### **Procedures**

Verify that the local public body is performing a yearly inventory as required by Section 12-6-10 NMSA 1978.

### **Findings**

The District performed their annual capital asset inventory without exception.

## **3. REVENUE**

### **Procedures**

Identify the nature and amount of revenue from sources by reviewing the budget, agreements, rate schedules, and underlying documentation.

a) Perform an analytical review; test actual revenue compared to budgeted revenue for the year for each type of revenue.

Select a sample of revenues based on accountant's judgment and test using the following attributes:

b) Amount recorded in the general ledger agrees to the supporting documentation and the bank statement.

c) Proper recording of classification, amount, and period per review of supporting documentation and the general ledger. Perform this revenue work on the same accounting basis that the local public body keeps its accounting records on, cash basis, modified accrual basis, or accrual basis.

### **Findings**

Revenue was analytically tested and met expectations without exception. 25 receipts were tested and were determined to be properly recorded as to amount, classification and period.

## **4. EXPENDITURES**

### **Procedures**

Select a sample of cash disbursements based on accountant's judgment and test using the following attributes:

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 ).

### **Findings**

35 disbursements were tested. Disbursements tested were accurate as to amount, payee, date and description, were properly authorized, and were in compliance with the budget, procurement code, and the Per Diem and Mileage Act, where applicable.

## **5. JOURNAL ENTRIES**

### **Procedures**

If non-routine journal entries, such as adjustments or reclassifications, are posted to the general ledger, test significant items for the following attributes:

a) Journal entries appear reasonable and have supporting documentation.

b) The local public body has procedures that require journal entries to be reviewed and there is evidence the reviews are being performed.

### **Findings**

All 12 month's journal entries were tested. The entries were reasonable, had adequate support, and were reviewed monthly by the Board of Directors.

## **6. BUDGET**

### **Procedures**

Obtain the original fiscal year budget and all budget amendments made throughout the fiscal year and perform the following:

- a) Verify, through a review of the minutes and correspondence, that the original budget and subsequent budget adjustments were approved by the local public body's governing body and DFA-LGD.
- b) Determine if the total actual expenditures exceeded the final budget at the legal level of budgetary control; if so, report a compliance finding.
- c) From the original and final approved budgets and general ledger, prepare a schedule of revenues and expenditures – budget and actual on the budgetary basis used by the local public body (cash, accrual or modified accrual basis) for each individual fund.

### **Findings**

The budget was reviewed and determined to be properly authorized and expenditures were less than budgeted amounts at the fund level, which is the legal level of budgetary control. The Schedule of Revenues and Expenditures - Budget and Actual (Cash Basis) is presented on page 7 of this report.

## **7. OTHER**

### **Procedures**

If information comes to the IPA's attention (regardless of materiality) indicating any fraud, illegal acts, noncompliance, or any internal control deficiencies, such instances must be disclosed 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**

Nothing noted.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on the District's financial reporting to the State Auditor as described above. 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 North Ranchos de Placitas Water and Sanitation District, New Mexico Office of the State Auditor, the New Mexico Legislature, and the New Mexico Department of Finance and Administration and is not intended to be and should not be used by anyone other than those specified parties.

*James L. Hartogensis, CPA LLC*

Albuquerque, New Mexico  
August 7, 2015



**SCHEDULE OF REVENUES &  
EXPENDITURES - BUDGET AND  
ACTUAL (CASH BASIS)**

**STATE OF NEW MEXICO**  
**NORTH RANCHOS DE PLACITAS WATER AND SANITATION DISTRICT**  
Schedule of Revenues and Expenditures - Budget and Actual (Cash Basis)  
Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>REVENUES:</b>				
Water fees	\$ 70,000	\$ 70,000	\$ 73,325	\$ 3,325
Property taxes	25,000	2,500	2,519	19
Interest	1,500	1,500	1,830	330
Gross receipts tax	3,500	3,500	3,401	(99)
<b>Total Revenues</b>	<u>\$ 100,000</u>	<u>\$ 77,500</u>	<u>\$ 81,075</u>	<u>\$ 3,575</u>
<b>EXPENDITURES:</b>				
Audit fees	\$ 3,500	3,500	3,438	62
Repairs and maintenance	20,000	50,000	47,493	2,507
Operations	12,000	12,000	10,467	1,533
Utilities	15,000	15,000	11,031	3,969
Insurance	5,000	5,000	4,960	40
Legal and professional fees	10,000	10,000	-	10,000
Office and administrative	10,000	10,000	7,636	2,364
Gross receipts tax	3,500	3,500	3,454	46
Other taxes	1,000	1,000	366	634
Capital outlay	50,000	-	-	-
<b>Total expenditures</b>	<u>\$ 130,000</u>	<u>\$ 110,000</u>	<u>\$ 88,845</u>	<u>\$ 21,155</u>
<b>Cash available to balance budget</b>	<u>\$ (30,000)</u>	<u>\$ (32,500)</u>		

**STATE OF NEW MEXICO  
NORTH RANCHOS DE PLACITAS  
WATER AND SANITATION DISTRICT  
YEAR-END FINANCIAL REPORT SUBMITTED TO DFA  
YEAR ENDED JUNE 30, 2015**

*Blue / Red Cells in Workbook are Data Entry Cells*

DEPARTMENT OF FINANCE AND ADMINISTRATION  
LOCAL GOVERNMENT DIVISION  
BUDGET AND FINANCE BUREAU  
SPECIAL DISTRICT FINANCIAL QUARTERLY REPORT FORM

RETURN TO LOCAL GOVERNMENT DIVISION NOT LATER THAN ONE MONTH AFTER THE CLOSE OF EACH QUARTER. I HEREBY CERTIFY THAT THE CONTENTS IN THIS REPORT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

Special District: NORTH RANCHOS DE PLACITAS WSD  
Quarter Ending: 6/30/2015  
Prepared by: M JEANNE BIRNLEY

M Jeanne Birnley  
(signature line)

QUARTERLY YEAR TO DATE TRANSACTIONS PER BOOKS

FUND TITLE	FUND NUMBER	UNAUDITED BEGINNING CASH BALANCE @ JULY 1 ( or JAN. 1 )	INVESTMENTS	REVENUES TO DATE	NET TRANSFERS	EXPENDITURES TO DATE	BOOK BALANCE END OF PERIOD	ADD: OUTSTANDING CHECKS	LESS: DEPOSITS IN TRANSIT	ADJUSTMENTS	ADJUSTED BALANCE END OF PERIOD	BALANCE PER BANK STATEMENTS	DIFFERENCE
GENERAL FUND - Operating (CF)	101	802,000	-	\$ 1,077	-	11,845	891,662	-	-	-	891,662	891,662	(0)
INTERGOVERNMENTAL GRANTS	218	-	-	-	-	-	-	-	-	-	-	-	-
UTILITY	299	-	-	-	-	-	-	-	-	-	-	-	-
WATER SERVICE	400	-	-	-	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>		\$ 802,000	\$ -	\$ 1,077	\$ -	\$ 11,845	\$ 891,662	\$ -	\$ -	\$ -	\$ 891,662	\$ 891,662	\$ (0)

**STATE OF NEW MEXICO**  
**NORTH RANCHOS DE PLACITAS**  
**WATER AND SANITATION DISTRICT**  
YEAR-END FINANCIAL REPORT SUBMITTED TO DFA  
YEAR ENDED JUNE 30, 2015

SPECIAL DISTRICT: RANCHOS DE PLACITAS WSD  
QUARTER ENDING: 6/30/15

REVENUES	CURRENT QUARTER	YEAR TO DATE	APPROVED BUDGET
<b>General Fund 101 ( enter items below )</b>			
WATER FEES	16,702	73,325	70,000
MILL LEVY	751	2,519	25,000
INTEREST INCOME	784	1,830	1,500
GROSS RECEIPTS TAX	904	3,401	3,500
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
Subtotal General Fund Revenues	\$ 19,141	\$ 81,075	\$ 100,000
Other Financing Sources: Transfers In	-	-	-
Transfers Out	-	-	-
Total Transfers	\$ -	\$ -	\$ -
<b>TOTAL GENERAL FUND REVENUES</b>	<b>\$ 19,141</b>	<b>\$ 81,075</b>	<b>\$ 100,000</b>
<b>Intergovernmental Grants 218 ( enter items below )</b>			
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
Subtotal Intergovernmental Grants Revenues	\$ -	\$ -	\$ -
Other Financing Sources: Transfers In	-	-	-
Transfers Out	-	-	-
Total Transfers	\$ -	\$ -	\$ -
<b>TOTAL INTERGOV. GRANT REVENUES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Other 299 ( enter items below )</b>			
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
Subtotal Other 299 Revenues	\$ -	\$ -	\$ -
Other Financing Sources: Transfers In	-	-	-
Transfers Out	-	-	-
Total Transfers	\$ -	\$ -	\$ -
<b>TOTAL OTHER REVENUES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Debt Service 400</b>			
General Obligation Bonds	-	-	-
General Obligation - (Property tax)	-	-	-
Investment Income	-	-	-
Other - Misc	-	-	-
Revenue Bonds	-	-	-
Bond Proceeds	-	-	-
Revenue Bonds - GRT	-	-	-
Investment Income	-	-	-
Revenue Bonds - Other	-	-	-
Miscellaneous(NMFA, BOF, etc.)	-	-	-
	-	-	-
Subtotal Debt Service Fund Revenues	\$ -	\$ -	\$ -
Other Financing Sources: Transfers In	-	-	-
Transfers Out	-	-	-
Total Transfers	\$ -	\$ -	\$ -
<b>TOTAL DEBT SERVICE REVENUES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>GRAND TOTAL REVENUES</b>	<b>\$ 19,141</b>	<b>\$ 81,075</b>	<b>\$ 100,000</b>

**STATE OF NEW MEXICO**  
**NORTH RANCHOS DE PLACITAS**  
**WATER AND SANITATION DISTRICT**  
YEAR-END FINANCIAL REPORT SUBMITTED TO DFA  
YEAR ENDED JUNE 30, 2015

SPECIAL DISTRICT: RANCHOS DE PLACITAS WSD  
QUARTER ENDING: 6/30/15

EXPENDITURES	CURRENT QUARTER	YEAR TO DATE	APPROVED BUDGET
<b>General Fund 101 ( enter items below )</b>			
AUDIT	-	3,438	3,500
REPAIR & MAINTENANCE	33,838	47,493	20,000
OPERATIONS	2,616	10,467	12,000
UTILITIES	1,559	11,031	15,000
INSURANCE	-	4,960	5,000
LEGAL & PROFESSIONAL	-	-	10,000
OFFICE & ADMINISTRATIVE	2,133	7,636	10,000
GROSS RECEIPTS TAX	752	3,454	3,500
OTHER TAXES	90	366	1,000
NEW STORAGE TANK	-	-	50,000
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>\$ 40,988</b>	<b>\$ 88,845</b>	<b>\$ 130,000</b>
<b>Intergovernmental Grants 218 ( enter items below )</b>			
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
<b>TOTAL INTERGOV. GRANT EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Other 299 ( enter items below )</b>			
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
<b>TOTAL OTHER EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Debt Service 400</b>			
Bond Payments Principal	-	-	-
Bond Payments- Interest	-	-	-
Other Debt Service	-	-	-
<b>TOTAL DEBT SERVICE EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>\$ 40,988</b>	<b>\$ 88,845</b>	<b>\$ 130,000</b>

STATE OF NEW MEXICO  
NORTH RANCHOS DE PLACITAS  
WATER AND SANITATION DISTRICT  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED JUNE 30, 2015

**Current Year Findings**

None.

STATE OF NEW MEXICO  
NORTH RANCHOS DE PLACITAS  
WATER AND SANITATION DISTRICT  
STATUS OF PRIOR YEAR FINDINGS  
YEAR ENDED JUNE 30, 2015

**Prior Year Findings**

None.

**STATE OF NEW MEXICO  
NORTH RANCHOS DE PLACITAS  
WATER AND SANITATION DISTRICT  
EXIT CONFERENCE  
YEAR ENDED JUNE 30, 2015**

The report contents were discussed at an exit conference held on August 3, 2015 with the following in attendance:

**North Ranchos de Placitas Water and Sanitation District**

Trey Young	President
Jeanne Burnley	Bookkeeper

**James L. Hartogenesis, CPA LLC**

James Hartogenesis, CPA, CGFM	Principal
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