

**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, 2016**

James L. Hartogenesis, CPA LLC

Certified Public Accountant

STATE OF NEW MEXICO
NORTH RANCHOS DE PLACITAS
WATER AND SANITATION DISTRICT
JUNE 30, 2016
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**STATE OF NEW MEXICO
NORTH RANCHOS DE PLACITAS
WATER AND SANITATION DISTRICT
OFFICIAL ROSTER
JUNE 30, 2016**

Board of Directors

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

I have performed the procedures enumerated below which were agreed to by State of New Mexico 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, 2016. 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, I 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, my procedures and the results of those procedures are as follows:

1. REVENUE DETERMINATION

Procedures

Verify the local public body's revenue calculation and tier determination documented on the form provided at www.osanm.org under "Tier System Reporting Main Page".

Results of Procedures

The District's revenue calculation and tier determination were verified as correct. Total revenue was \$74,875 which requires Tier 4 agreed-upon procedures.

2. 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 my 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 my 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.

Results of Procedures

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.

3. CAPITAL ASSETS

Procedures

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

Results of Procedures

The District performed and certified their annual capital asset inventory without exception.

4. 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.

Results of Procedures

Revenue was analytically tested and met expectations without exception. 21 receipts were tested and were determined to be properly recorded as to amount, classification and period.

5. 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).

Results of Procedures

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.

6. 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.

Results of Procedures

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

7. 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.

Results of Procedures

The budget was reviewed and determined to be properly authorized on July 16, 2015 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.

8. 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.

Results of Procedures

Nothing noted.

I was 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, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the information and use of State of New Mexico 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 15, 2016

**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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
REVENUES:				
Water fees	\$ 70,000	\$ 70,000	\$ 67,925	\$ (2,075)
Property taxes	2,500	2,500	2,134	(366)
Interest	1,500	1,500	1,516	16
Gross receipts tax	<u>3,400</u>	<u>3,400</u>	<u>3,300</u>	<u>(100)</u>
Total Revenues	<u><u>\$ 77,400</u></u>	<u><u>\$ 77,400</u></u>	<u><u>\$ 74,875</u></u>	<u><u>\$ (2,525)</u></u>
EXPENDITURES:				
Audit fees	\$ 3,000	\$ 3,000	\$ 2,890	\$ 110
Repairs and maintenance	28,000	28,000	21,484	6,516
Operations	12,000	12,000	10,467	1,533
Utilities	13,400	13,400	13,018	382
Insurance	5,000	5,000	4,974	26
Legal and professional fees	3,000	3,000	2,995	5
Office and administrative	9,000	9,000	8,798	202
Gross receipts tax	3,500	3,500	3,361	139
Other taxes	<u>500</u>	<u>500</u>	<u>413</u>	<u>87</u>
Total expenditures	<u><u>\$ 77,400</u></u>	<u><u>\$ 77,400</u></u>	<u><u>\$ 68,400</u></u>	<u><u>\$ 9,000</u></u>

**YEAR-END FINANCIAL REPORT
SUBMITTED TO DFA**

**STATE OF NEW MEXICO
NORTH RANCHOS DE PLACITAS
WATER AND SANITATION DISTRICT
YEAR-END FINANCIAL REPORT SUBMITTED TO DFA
YEAR ENDED JUNE 30, 2016**

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

SUBMIT 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: 6/30/2016
Prepared by: M JEANNE BURNLEY

M JEANNE BURNLEY
(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 (GF)	101	483,463	-	74,875	-	68,401	489,937	1,651.70	-	-	491,589	\$ 491,589	-
INTERGOVERNMENTAL GRANTS	218	-	-	-	-	-	-	-	-	-	-	-	-
OTHER	299	-	-	-	-	-	-	-	-	-	-	-	-
DEBT SERVICE	400	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total		\$ 483,463	\$ -	\$ 74,875	\$ -	\$ 68,401	\$ 489,937	\$ 1,652	\$ -	\$ -	\$ 491,589	\$ 491,589	

STATE OF NEW MEXICO
NORTH RANCHOS DE PLACITAS
WATER AND SANITATION DISTRICT
YEAR-END FINANCIAL REPORT SUBMITTED TO DFA
YEAR ENDED JUNE 30, 2016

SPECIAL DISTRICT: <u>NORTH RANCHOS DE PLACITAS WSD</u>				
QUARTER ENDING: <u>6/30/16</u>				
REVENUES	CURRENT QUARTER	YEAR TO DATE	APPROVED BUDGET	YTD % OF BUDGET
General Fund 101 (enter items below)				
WATER FEES	15,110	67,925	70,000	97%
MILL LEVY	756	2,134	2,500	85%
INTEREST INCOME	393	1,516	1,500	101%
GROSS RECEIPTS TAX	797	3,300	3,400	97%
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
Subtotal General Fund Revenues	\$ 17,055	\$ 74,875	\$ 77,400	97%
Other Financing Sources: Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Transfers	\$ -	\$ -	\$ -	-
TOTAL GENERAL FUND REVENUES	\$ 17,055	\$ 74,875	\$ 77,400	97%
Intergovernmental Grants 218 (enter items below)				
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
Subtotal Intergovernmental Grants Revenues	\$ -	\$ -	\$ -	-
Other Financing Sources: Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Transfers	\$ -	\$ -	\$ -	-
TOTAL INTERGOV. GRANT REVENUES	\$ -	\$ -	\$ -	-
Other 299 (enter items below)				
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
Subtotal Other 299 Revenues	\$ -	\$ -	\$ -	-
Other Financing Sources: Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Transfers	\$ -	\$ -	\$ -	-
TOTAL OTHER REVENUES	\$ -	\$ -	\$ -	-
Debt Service 400				
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	\$ -	\$ -	\$ -	-
TOTAL DEBT SERVICE REVENUES	\$ -	\$ -	\$ -	-
GRAND TOTAL REVENUES	\$ 17,055	\$ 74,875	\$ 77,400	97%

STATE OF NEW MEXICO
NORTH RANCHOS DE PLACITAS
WATER AND SANITATION DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2016

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, 2016

Prior Year Findings

None.

**STATE OF NEW MEXICO
NORTH RANCHOS DE PLACITAS
WATER AND SANITATION DISTRICT
EXIT CONFERENCE
YEAR ENDED JUNE 30, 2016**

The report contents were discussed at an exit conference held on July 25, 2016 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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