

**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, 2018**



**STATE OF NEW MEXICO**  
**NORTH RANCHOS DE PLACITAS**  
**WATER AND SANITATION DISTRICT**  
JUNE 30, 2018  
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**STATE OF NEW MEXICO  
NORTH RANCHOS DE PLACITAS  
WATER AND SANITATION DISTRICT  
OFFICIAL ROSTER  
JUNE 30, 2018**

**Board of Directors**

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

**Administration**

Annette Ackerman	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 Wayne Johnson  
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, 2018. The District is responsible for its financial reporting as described above. 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](http://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 \$98,610 which requires Tier 4 agreed-upon procedures.

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**P.O. Box 67315 Albuquerque, NM 87193 [JhartoCPA.com](http://JhartoCPA.com) 505.280.9081**

## **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) Test at least 30% of the 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. 4 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 equal to at least 30% of the total dollar amount and test 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. 37 receipts totaling \$29,976 were tested and were determined to be properly recorded as to amount, classification and period.

## **5. EXPENDITURES**

### **Procedures**

Select a sample of cash disbursements equal to at least 30% of the total dollar amount and test 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 canceled 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 13-1-199 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**

16 disbursements totaling \$224,056 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**

Test all non-routine journal entries, adjustments, and reclassifications posted to the general ledger 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**

100% of the journal entries were tested. The entries were reasonable, had adequate support, and were reviewed and approved monthly by a Board member.

## **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 by the Board of Directors and DFA-LGD. 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(L) NMAC.

### Results of Procedures

Nothing noted as a result of applying these procedures.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. I was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the District's financial reporting and compliance as described above. Accordingly, I do not express such an opinion or conclusion. 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, the 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  
September 22, 2018



**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, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original Budget</u>	<u>Final Budget</u>		Favorable (Unfavorable)
<b>REVENUES:</b>				
Water fees	\$ 74,000	\$ 74,000	\$ 76,575	\$ 2,575
Property taxes	20,000	20,000	20,908	908
Interest	<u>1,500</u>	<u>1,500</u>	<u>1,127</u>	<u>(373)</u>
<b>Total revenues</b>	<u>\$ 95,500</u>	<u>\$ 95,500</u>	<u>\$ 98,610</u>	<u>\$ 3,110</u>
<b>EXPENDITURES:</b>				
Audit fees	\$ 2,800	\$ 2,800	\$ 2,795	\$ 5
Repairs and maintenance	28,000	38,000	37,442	558
Operations	12,000	13,500	13,001	499
Utilities	15,000	15,000	12,723	2,277
Insurance	5,500	5,500	4,410	1,090
Legal and professional fees	3,000	3,000	-	3,000
Office and administrative	16,000	17,000	16,594	406
Gross receipts tax	3,500	3,500	3,481	19
Other taxes	500	500	698	(198)
Infrastructure	<u>250,000</u>	<u>250,000</u>	<u>237,286</u>	<u>12,714</u>
<b>Total expenditures</b>	<u>\$ 336,300</u>	<u>\$ 348,800</u>	<u>\$ 328,430</u>	<u>\$ 20,370</u>
<b>Cash available to balance budget</b>	<u>\$ 240,800</u>	<u>\$ 253,300</u>	<u>\$ 229,820</u>	

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

**STATE OF NEW MEXICO**  
**NORTH RANCHOS DE PLACITAS**  
**WATER AND SANITATION DISTRICT**  
**YEAR-END FINANCIAL REPORT SUBMITTED TO DFA-LGD**  
**YEAR ENDED JUNE 30, 2018**

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: 6/30/2018  
 Prepared by: Annette Ackerman

Annette Ackerman

(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	521,215	-	98,610	-	328,430	291,395	-	-	-	291,395	291,395	(0)
INTERGOVERNMENTAL GRANTS	218	-	-	-	-	-	-	-	-	-	-	-	-
OTHER	299	-	-	-	-	-	-	-	-	-	-	-	-
DEBT SERVICE	400	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total		\$ 521,215	\$ -	\$ 98,610	\$ -	\$ 328,430	\$ 291,395	\$ -	\$ -	\$ -	\$ 291,395	\$ 291,395	\$ (0)

**STATE OF NEW MEXICO**  
**NORTH RANCHOS DE PLACITAS**  
**WATER AND SANITATION DISTRICT**  
**YEAR-END FINANCIAL REPORT SUBMITTED TO DFA-LGD**  
**YEAR ENDED JUNE 30, 2018**

SPECIAL DISTRICT: <u>North Ranchos de Placitas WSD</u>				
QUARTER ENDING: <u>6/30/18</u>				
REVENUES	CURRENT QUARTER	YEAR TO DATE	APPROVED BUDGET	YTD % OF BUDGET
<b>General Fund 101 ( enter items below )</b>				
WATER FEES	11,141	76,575	74,000	103%
MILL LEVY	6,208	20,908	20,000	105%
INTEREST INCOME	766	1,127	1,500	75%
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
Subtotal General Fund Revenues	\$ 18,115	\$ 98,610	\$ 95,500	103%
Other Financing Sources:				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Transfers	\$ -	\$ -	\$ -	-
<b>TOTAL GENERAL FUND REVENUES</b>	<b>\$ 18,115</b>	<b>\$ 98,610</b>	<b>\$ 95,500</b>	<b>103%</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>-</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>-</b>
<b>Debt Service 400</b>				
<b>General Obligation Bonds</b>	-	-	-	-
General Obligation - (Property tax)	-	-	-	-
Investment Income	-	-	-	-
Other - Misc	-	-	-	-
<b>Revenue Bonds</b>	-	-	-	-
Bond Proceeds	-	-	-	-
Revenue Bonds - GRT	-	-	-	-
Investment Income	-	-	-	-
Revenue Bonds - Other	-	-	-	-
<b>Miscellaneous(NMFA, BOF, etc.)</b>	-	-	-	-
	-	-	-	-
	-	-	-	-
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>-</b>
<b>GRAND TOTAL REVENUES</b>	<b>\$ 18,115</b>	<b>\$ 98,610</b>	<b>\$ 95,500</b>	<b>103%</b>

**STATE OF NEW MEXICO**  
**NORTH RANCHOS DE PLACITAS**  
**WATER AND SANITATION DISTRICT**  
 YEAR-END FINANCIAL REPORT SUBMITTED TO DFA-LGD  
 YEAR ENDED JUNE 30, 2018

SPECIAL DISTRICT: <u>North Ranchos de Placitas WSD</u> QUARTER ENDING: <u>6/30/18</u>				
EXPENDITURES	CURRENT QUARTER	YEAR TO DATE	APPROVED BUDGET	YTD % OF BUDGET
<b>General Fund 101 ( enter items below )</b>				
AUDIT	-	2,796	2,800	100%
REPAIR & MAINTENANCE	100	37,411	28,000	134%
OPERATIONS	4,706	13,001	12,000	108%
UTILITIES	4,620	12,754	15,000	85%
INSURANCE	-	4,410	5,500	80%
LEGAL & PROFESSIONAL	-	-	3,000	0%
OFFICE & ADMINISTRATIVE	3,716	16,593	16,000	104%
GROSS RECEIPTS TAX	829	3,481	3,500	99%
OTHER TAXES	123	698	500	140%
NEW WELL	110,911	237,286	250,000	95%
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
<b>TOTAL GENERAL FUND EXPENDITURES</b>	\$ 125,005	\$ 328,430	\$ 336,300	98%
<b>Intergovernmental Grants 218 ( enter items below )</b>				
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
<b>TOTAL INTERGOV. GRANT EXPENDITURES</b>	\$ -	\$ -	\$ -	-
<b>Other 299 ( enter items below )</b>				
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
<b>TOTAL OTHER EXPENDITURES</b>	\$ -	\$ -	\$ -	-
<b>Debt Service 400</b>				
Bond Payments Principal	-	-	-	-
Bond Payments- Interest	-	-	-	-
Other Debt Service	-	-	-	-
<b>TOTAL DEBT SERVICE EXPENDITURES</b>	\$ -	\$ -	\$ -	-
<b>GRAND TOTAL EXPENDITURES</b>	\$ 125,005	\$ 328,430	\$ 336,300	98%

STATE OF NEW MEXICO  
NORTH RANCHOS DE PLACITAS  
WATER AND SANITATION DISTRICT  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED JUNE 30, 2018

**Current Year Findings**

None.

**Prior Year Findings**

None.

**STATE OF NEW MEXICO  
NORTH RANCHOS DE PLACITAS  
WATER AND SANITATION DISTRICT  
EXIT CONFERENCE  
YEAR ENDED JUNE 30, 2018**

The results of the engagement were discussed at an exit conference held on August 13, 2018 with the following in attendance:

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

Trey Young	President
Annette Ackerman	Bookkeeper

**James L. Hartogenesis, CPA LLC**

James Hartogenesis, CPA, CGFM	Principal
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