

**STATE OF NEW MEXICO
RANCHOS DE PLACITAS SANITATION DISTRICT**

**Independent Accountants' Report on
Applying Tier 4 Agreed-Upon Procedures**

**For the Year Ended
June 30, 2018**



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

Board of Directors

<u>Name</u>	<u>Title</u>
Sam Wasson	President
Colleen Rust	Treasurer
Phillip Rust	Director

Administrative Officials

Jean Thomsen-Youel	Secretary
M. Jeanne Burnley	Bookkeeper



**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES**

Board of Directors
Ranchos de Placitas 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 Ranchos de Placitas 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 and compliance 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 associated findings 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 \$101,728 which requires Tier 4 agreed-upon procedures.

P.O. Box 67315 Albuquerque, NM 87193 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 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. 14 receipts totaling \$30,651 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 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

49 disbursements totaling \$16,053 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

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

7. BUDGET

Procedures

Obtain the original fiscal year budget and all budget adjustments made throughout the fiscal year and perform the following test work:

- 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 the answer is yes, 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. 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.

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 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 the State of New Mexico Ranchos de Placitas 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 13, 2018

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

STATE OF NEW MEXICO
RANCHOS DE PLACITAS SANITATION DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (CASH BASIS)
YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
REVENUES:				
Sales and service fees	\$ 53,500	\$ 53,500	\$ 62,121	\$ 8,621
Standby fees	-	-	-	-
Gross receipts tax	-	-	-	-
Interest income	750	750	1,039	289
Revenue from leases	35,450	35,450	35,457	7
Total Revenues	<u>\$ 89,700</u>	<u>\$ 89,700</u>	<u>\$ 98,617</u>	<u>\$ 8,917</u>
EXPENDITURES:				
Audit fees	\$ 2,400	\$ 2,400	\$ 2,365	\$ 35
Insurance	3,500	3,500	2,801	699
Utilities	8,000	8,000	8,235	(235)
Legal and professional fees	4,000	4,000	2,551	1,449
System operator contract	13,500	13,500	12,272	1,228
Repairs and maintenance	50,000	50,000	10,982	39,018
Office supplies	500	500	334	166
Bookkeeping	6,500	6,500	5,929	571
Gross receipts tax	2,600	2,600	3,007	(407)
Conservation fee	310	310	323	(13)
Other expenses	2,000	2,000	699	1,301
Capital outlay	200,000	200,000	-	200,000
Total expenditures	<u>\$ 293,310</u>	<u>\$ 293,310</u>	<u>\$ 49,498</u>	<u>\$ 243,812</u>
Cash available to balance budget	<u>\$ 203,610</u>	<u>\$ 203,610</u>		

YEAR-END FINANCIAL REPORT
SUBMITTED TO DFA

STATE OF NEW MEXICO
RANCHOS DE PLACITAS SANITATION DISTRICT
YEAR-END FINANCIAL REPORT SUBMITTED TO DFA
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: Ranchos de Placitas Sanitation District
 Quarter Ending: 6/30/2018
 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	292,981	-	98,617	-	49,498	342,099	1,566.76	262.55	-	343,403	\$ 343,403.40	-
INTERGOVERNMENTAL GRANTS	218	-	-	-	-	-	-	-	-	-	-	-	-
OTHER	299	-	-	-	-	-	-	-	-	-	-	-	-
DEBT SERVICE	400	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total		\$ 292,981	\$ -	\$ 98,617	\$ -	\$ 49,498	\$ 342,099	\$ 1,567	\$ 263	\$ -	\$ 343,403	\$ 343,403	\$ -

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

SPECIAL DISTRICT: <u>Ranchos de Placitas Sanitation District</u>				
QUARTER ENDING: <u>6/30/18</u>				
REVENUES	CURRENT QUARTER	YEAR TO DATE	APPROVED BUDGET	YTD % OF BUDGET
General Fund 101 (enter items below)				
SALES & SERVICE FEES	9,564.48	62,120.99	53,500	116%
INTEREST INCOME	855.17	1,038.69	750	138%
RENEWUE FROM LEASES	8,864.25	35,457.00	35,450	100%
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
Subtotal General Fund Revenues	\$ 19,284	\$ 98,617	\$ 89,700	110%
Other Financing Sources: Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Transfers	\$ -	\$ -	\$ -	-
TOTAL GENERAL FUND REVENUES	\$ 19,284	\$ 98,617	\$ 89,700	110%
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	\$ 19,284	\$ 98,617	\$ 89,700	110%

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

SPECIAL DISTRICT: <u>Ranchos de Placitas Sanitation District</u>				
QUARTER ENDING: <u>6/30/18</u>				
EXPENDITURES	CURRENT QUARTER	YEAR TO DATE	APPROVED BUDGET	YTD % OF BUDGET
General Fund 101 (enter items below)				
AUDITING	-	2,365.00	2,400	-
INSURANCE	-	2,801.00	3,500	-
UTILITIES	1,747.13	8,235.27	8,000	-
LEGAL & PROFESSIONAL FEES	1,122.33	2,550.95	4,000	-
SYSTEM OPERATOR CONTRACT	3,068.10	12,272.47	13,500	-
REPAIR & MAINTENANCE	169.95	10,981.65	50,000	458%
OFFICE SUPPLIES	50.00	334.27	500	10%
BOOKKEEPING FEES	1,482.18	5,928.74	6,500	74%
GROSS RECEIPTS TAX	483.56	3,006.63	2,600	75%
CONSERVATION FEE	-	323.22	310	2%
MISCELLANEOUS EXPENSE	145.00	699.13	2,000	1%
NEW WELL	-	-	200,000	0%
	-	-		0%
	-	-		0%
	-	-		0%
	-	-		0%
	-	-		0%
	-	-	-	-
	-	-	-	-
	-	-	-	-
TOTAL GENERAL FUND EXPENDITURES	\$ 8,268	\$ 49,498	\$ 293,310	17%
Intergovernmental Grants 218 (enter items below)				
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
TOTAL INTERGOV. GRANT EXPENDITURES	\$ -	\$ -	\$ -	-
Other 299 (enter items below)				
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
TOTAL OTHER EXPENDITURES	\$ -	\$ -	\$ -	-
Debt Service 400				
Bond Payments Principal	-	-	-	-
Bond Payments- Interest	-	-	-	-
Other Debt Service	-	-	-	-
TOTAL DEBT SERVICE EXPENDITURES	\$ -	\$ -	\$ -	-
GRAND TOTAL EXPENDITURES	\$ 8,268	\$ 49,498	\$ 293,310	17%

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

Current Year Findings

None.

Prior Year Findings

None.

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

The report contents were discussed at an exit conference held on August 15, 2018 with the following in attendance:

Ranchos de Placitas Sanitation District

Sam Wasson	President
Colleen Rust	Treasurer
Jean Thomsen-Youel	Secretary
M. Jeanne Burnley	Former Bookkeeper

James L. Hartogenesis, CPA LLC

James Hartogenesis, CPA, CGFM	Principal
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