

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

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

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

James L. Hartogenesis, CPA LLC

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Certified Public Accountants

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

**Board of Directors**

<u>Name</u>	<u>Title</u>
Vacant	President
Nancy Hobbs	Treasurer
Thomas Hagan	Director

**Administrative Officials**

Nancy Worden	Secretary
Jeanne Burnley	Bookkeeper

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

Board of Directors  
Ranchos de Placitas 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 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, 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. 15 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**

41 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 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 8, 2015



**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, 2015

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<b>REVENUES:</b>				
Water sales	\$ 20,500	\$ 20,600	\$ 28,451	\$ 7,851
Connection charges	1,000	1,000	1,000	-
Lease revenue	31,050	31,050	33,003	1,953
Interest	750	750	1,337	587
Gross receipts tax	1,100	1,100	1,131	31
Other revenue	2,100	2,000	2,057	57
<b>Total Revenues</b>	<b><u>\$ 56,500</u></b>	<b><u>\$ 56,500</u></b>	<b><u>\$ 66,979</u></b>	<b><u>\$ 10,479</u></b>
<b>EXPENDITURES:</b>				
Repairs and maintenance	\$ 25,000	\$ 25,000	\$ 31,891	\$ (6,891)
Utilities	10,000	10,000	9,541	459
Bookkeeping	5,300	5,300	5,302	(2)
Legal and professional fees	5,000	10,500	7,082	3,418
Insurance	3,500	3,500	2,504	996
Audit fees	3,250	3,250	3,223	27
Gross receipts tax	1,200	1,200	1,094	106
Office supplies	500	500	472	28
Conservation fees	450	450	393	57
Other expenses	2,300	2,300	2,671	(371)
Capital outlay	200,000	200,000	-	200,000
<b>Total expenditures</b>	<b><u>\$ 256,500</u></b>	<b><u>\$ 262,000</u></b>	<b><u>\$ 64,173</u></b>	<b><u>\$ 197,827</u></b>
<b>Cash available to balance budget</b>	<b><u>\$ 200,000</u></b>	<b><u>\$ 205,500</u></b>		

**STATE OF NEW MEXICO**  
**RANCHOS DE PLACITAS 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: RANCHOS DE PLACITAS SANITATION DISTRICT  
 Quarter Ending: 6/30/2015  
 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)	301	267,562	-	66,979	-	64,173	271,368	70	1,611	-	269,827	269,827	0
INTERGOVERNMENTAL GRANTS	218	-	-	-	-	-	-	-	-	-	-	-	-
CITYIER	299	-	-	-	-	-	-	-	-	-	-	-	-
WATER SERVICE	400	-	-	-	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>		<b>\$ 267,562</b>	<b>\$ -</b>	<b>\$ 66,979</b>	<b>\$ -</b>	<b>\$ 64,173</b>	<b>\$ 271,368</b>	<b>\$ 70</b>	<b>\$ 1,611</b>	<b>\$ -</b>	<b>\$ 269,827</b>	<b>\$ 269,827</b>	<b>\$ 0</b>

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

**SPECIAL DISTRICT: PLACITAS SANITATION DISTRICT**  
**QUARTER ENDING: 6/30/15**

REVENUES	CURRENT QUARTER	YEAR TO DATE	APPROVED BUDGET
<b>General Fund 101 ( enter items below )</b>			
SALES OR SERVICE	8,322	28,451	20,600
CONNECTION CHARGES	-	1,000	1,000
PENALTY	-	116	200
OTHER FEES	1,017	1,941	1,800
GROSS RECEIPTS TAX	443	1,131	1,100
INTEREST ON SAVINGS ACCOUNTS	1,022	1,337	750
REVENUE FROM LEASES	8,128	33,003	31,050
	-	-	-
	-	-	-
	-	-	-
Subtotal General Fund Revenues	\$ 18,932	\$ 66,979	\$ 56,500
Other Financing Sources: Transfers In	-	-	-
Transfers Out	-	-	-
Total Transfers	\$ -	\$ -	\$ -
<b>TOTAL GENERAL FUND REVENUES</b>	<b>\$ 18,932</b>	<b>\$ 66,979</b>	<b>\$ 56,500</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>			
<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	-	-	-
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>\$ 18,932</b>	<b>\$ 66,979</b>	<b>\$ 56,500</b>

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

**SPECIAL DISTRICT: PLACITAS SANITATION DISTRICT**  
**QUARTER ENDING: 6/30/15**

EXPENDITURES	CURRENT QUARTER	YEAR TO DATE	APPROVED BUDGET
<b>General Fund 101 ( enter items below )</b>			
AUDITING	-	3,223	3,250
INSURANCE	-	2,504	3,500
FUEL AND POWER	2,106	9,541	10,000
WATER CONSERVATION FEE	-	393	450
MISCELLANEOUS EXPENSE	194	1,146	800
OFFICE SUPPLIES	149	472	500
SUNDRY EXPENSE	110	500	500
REPAIR & MAINTENANCE	20,690	31,891	25,000
WATER SERVICES INSTALLATION	-	1,025	1,000
LEGAL FEES (adjusted for consulting fees)	568	2,808	5,000
CONSULTING FEES	-	4,274	5,500
GROSS RECEIPTS TAX	-	1,094	1,200
BOOKKEEPING	1,355	5,302	5,300
NEW WELL	-	-	200,000
	-	-	-
	-	-	-
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>\$ 25,172</b>	<b>\$ 64,173</b>	<b>\$ 262,000</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>\$ 25,172</b>	<b>\$ 64,173</b>	<b>\$ 262,000</b>

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

**Current Year Findings**

None.

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

**Prior Year Findings**

None.

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

The report contents were discussed at an exit conference held on August 8, 2015 with the following in attendance:

**Ranchos de Placitas Sanitation District**

Nancy Hobbs	Treasurer
Jeanne Burnley	Bookkeeper

**James L. Hartogenesis, CPA LLC**

James Hartogenesis, CPA, CGFM	Principal
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