

**STATE OF NEW MEXICO
WILLIAMS ACRES WATER AND SANITATION DISTRICT**

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

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



STATE OF NEW MEXICO
WILLIAMS ACRES WATER AND SANITATION DISTRICT
JUNE 30, 2018
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**STATE OF NEW MEXICO
WILLIAMS ACRES WATER AND SANITATION DISTRICT
OFFICIAL ROSTER
JUNE 30, 2018**

Board of Directors

<u>Name</u>	<u>Title</u>
Matt Wright	President
Kristin Lengefeld	Vice-President
Walt Ishmael	Secretary/Treasurer

Administrative Officials

Frank Scott	Maintenance
Dana Scott	Bookkeeper



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

Board of Directors
Williams Acres Water and Sanitation District
and
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 Williams Acres 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 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 \$97,692 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) 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 on-hand. 12 of 36 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 does not own any moveable chattel or equipment as defined by Section 12-6-10 NMSA 1978.

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 revenue 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. 13 receipts totaling \$31,437 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 13-1-99 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

46 disbursements totaling \$27,705 were tested and were agreed to supporting documentation and were properly authorized without exception. No disbursements were subject to the Procurement Code or the Per Diem and Mileage Act.

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

15 journal entries were tested. All journal entries were properly supported, reviewed and approved by the Board of Directors, and were reasonable.

7. BUDGET

Procedures

Obtain the original fiscal year budget and all budget amendments 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 whether 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 else was 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 Williams Acres 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
December 7, 2018

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

STATE OF NEW MEXICO
WILLIAMS ACRES WATER AND 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 or Service	\$ 85,000	\$ 85,000	\$ 93,736	\$ 8,736
Advertising Funds	3,500	3,500	3,500	-
Interest Income	-	-	456	456
Total Revenues	\$ 88,500	\$ 88,500	\$ 97,692	\$ 9,192
EXPENDITURES:				
Salaries	\$ 14,200	\$ 14,700	\$ 14,080	\$ 620
Gross Receipts Tax	4,700	4,700	4,661	39
Repairs & Maintenance	6,000	16,000	14,256	1,744
Utilities	2,500	2,000	1,623	377
Legal & Professional	4,300	12,000	7,003	4,997
Insurance & Bonds	2,200	2,350	2,322	28
Office Supplies	2,000	3,000	2,719	281
Storage Expense	120	120	120	-
CPA Audit	4,900	2,750	2,688	62
Payroll Taxes	1,050	1,150	1,123	27
Sewer Treatment Services	36,000	29,900	28,493	1,407
Solid Waste Expense	-	8,000	6,485	1,515
Licenses & Permits	100	100	-	100
Total expenditures	\$ 78,070	\$ 96,770	\$ 85,573	\$ 11,197
Cash available to balance budget		<u>\$ 8,270</u>		

YEAR-END FINANCIAL REPORT
SUBMITTED TO DFA

STATE OF NEW MEXICO
WILLIAMS ACRES WATER AND 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: Williams Acres Sanitation District
 Quarter Ending: 6/30/2018
 Prepared by: Dana Scott

Dana M. Scott

(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	314,924	-	102,285	-	85,555	331,655	2,830	4,865	-	329,619	329,619	-
INTERGOVERNMENTAL GRANTS	218	-	-	-	-	-	-	-	-	-	-	-	-
OTHER	299	-	-	-	-	-	-	-	-	-	-	-	-
DEBT SERVICE	400	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total		\$ 314,924	\$ -	\$ 102,285	\$ -	\$ 85,555	\$ 331,655	\$ 2,830	\$ 4,865	\$ -	\$ 329,619	\$ 329,619	\$ -

STATE OF NEW MEXICO
WILLIAMS ACRES WATER AND SANITATION DISTRICT
YEAR-END FINANCIAL REPORT SUBMITTED TO DFA
YEAR ENDED JUNE 30, 2018

SPECIAL DISTRICT: ams Acres Sanitation District
 QUARTER ENDING: 6/30/18

REVENUES	CURRENT QUARTER	YEAR TO DATE	APPROVED BUDGET	YTD % OF BUDGET
General Fund 101 (enter items below)				
O & M	23,382	67,201	85,000	79%
Connections	2,150	4,550	-	-
Savings Interest	123	309	-	-
Advert. Funds	-	-	3,500	0%
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
Subtotal General Fund Revenues	\$ 30,225	\$ 102,285	\$ 88,500	116%
Other Financing Sources:				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Transfers	\$ -	\$ -	\$ -	-
TOTAL GENERAL FUND REVENUES	\$ 30,225	\$ 102,285	\$ 88,500	116%
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	\$ 30,225	\$ 102,285	\$ 88,500	116%

STATE OF NEW MEXICO
WILLIAMS ACRES WATER AND SANITATION DISTRICT
YEAR-END FINANCIAL REPORT SUBMITTED TO DFA
YEAR ENDED JUNE 30, 2018

SPECIAL DISTRICT: Williams Acres Sanitation District
 QUARTER ENDING: 6/30/18

EXPENDITURES	CURRENT QUARTER	YEAR TO DATE	APPROVED BUDGET	YTD % OF BUDGET
General Fund 101 (enter items below)				
Salaries	3,630	14,080	14,700	96%
Accrued Payroll	-	(17)	-	-
Insurance and Bonds	-	2,322	2,350	99%
Payroll Tax	290	1,123	1,150	98%
Repairs and Maintenance	8,569	14,256	16,000	89%
Office Supplies	400	2,719	3,000	91%
Audit	-	2,688	2,750	98%
Gross Receipts Tax	1,289	4,661	4,700	99%
Legal and Professional	(188)	7,003	12,000	58%
Licenses and Permits	-	-	100	0%
Utilities	379	1,623	2,000	81%
Storage	-	120	120	100%
Sewer Treatment Service	7,415	28,493	29,900	95%
Solid Waste Expense	2,162	6,485	8,000	81%
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
TOTAL GENERAL FUND EXPENDITURES	\$ 23,947	\$ 85,555	\$ 96,770	88%
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	\$ 23,947	\$ 85,555	\$ 96,770	88%

**STATE OF NEW MEXICO
WILLIAMS ACRES WATER AND SANITATION DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2018**

Current Year Findings

None.

Prior Year Findings

	<u>Prior Year Finding</u>	<u>Current Year Status</u>
2017-001	Bank reconciliation not timely	Resolved
2017-002	Lack of supporting documentation for operating disbursements	Resolved
2017-003	Journal entries are not approved	Resolved

STATE OF NEW MEXICO
WILLIAMS ACRES WATER AND SANITATION DISTRICT
EXIT CONFERENCE
YEAR ENDED JUNE 30, 2018

The report contents were discussed at an exit conference held on December 14, 2018 with the following in attendance:

Williams Acres Water and Sanitation District

Kristin Lengefeld	President
Dana Scott	Bookkeeper

James L. Hartogenesis, CPA LLC

James Hartogenesis, CPA, CGFM	Principal
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