

**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, 2017**

James L. Hartogenesis, CPA LLC

Certified Public Accountant

STATE OF NEW MEXICO
WILLIAMS ACRES WATER AND SANITATION DISTRICT
JUNE 30, 2017
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**STATE OF NEW MEXICO
WILLIAMS ACRES WATER AND SANITATION DISTRICT
OFFICIAL ROSTER
JUNE 30, 2017**

Board of Directors

<u>Name</u>	<u>Title</u>
Matt Wright	President
Kristin Lengefeld	Treasurer
Walt Ishmael	Director

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
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 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, 2017. 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 \$93,329 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. One month was not reconciled timely. See item 2017-001 in the accompanying schedule of findings and responses. 12 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 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. 14 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 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

39 disbursements were tested. 1 out of 39 vendor disbursements did not have any supporting documentation for a total of \$90. See item 2017-002 in the accompanying schedule findings and responses. 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

8 out of 8 journal entries were tested. All journal entries were properly supported and were reasonable. 7 of 8 entries were not approved. See item 2017-003 in the accompanying schedule of findings and responses.

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
November 9, 2017

**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, 2017

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
REVENUES:				
Sales or Service	\$ 85,000	\$ 85,000	\$ 89,580	\$ 4,580
Advertising Funds	3,500	3,500	3,500	-
Interest Income	-	-	249	249
Total Revenues	<u>\$ 88,500</u>	<u>\$ 88,500</u>	<u>\$ 93,329</u>	<u>\$ 4,829</u>
EXPENDITURES:				
Salaries	13,000	\$ 13,500	13,270	\$ 230
Gross Receipts Tax	4,700	4,700	4,399.07	301
Repairs & Maintenance	6,000	9,000	8,991.37	9
Utilities	3,700	3,700	916.36	2,784
Legal & Professional	4,300	4,300	1,879.39	2,421
Insurance & Bonds	2,200	2,200	1,766	434
Office Supplies	1,500	1,900	1,700	200
Storage Expense	120	120	120	-
CPA Audit	4,900	4,900	3,408.93	1,491
Payroll Taxes	1,050	1,050	1,036.41	14
Sewer Treatment Services	36,000	36,000	23,389.62	12,610
Licenses & Permits	100	1,250	1,150	100
Total expenditures	<u>\$ 77,570</u>	<u>\$ 82,620</u>	<u>\$ 62,027</u>	<u>\$ 20,593</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, 2017

Williams Acres Sanitation District
 June 30, 2017
 Special District Quarterly Cash Report
 Budgeted Funds - Fund #1

Fund #1	(1) This Quarter	(2) To Date	(3) Adjusted Budget	(4) Approved Budget	(5) Over Under
1 Revenue:					
2 O & M	\$21,662.60	\$85,122.63		\$85,000.00	\$122.63
3 Connections	\$52.51	\$252.51		\$0.00	\$252.51
4 Savings Interest	\$62.48	\$248.95		\$0.00	\$248.95
5 Advert. Funds	\$3,500.00	\$3,500.00		\$3,500.00	\$0.00
6					
7 Total Revenues	\$25,277.59	\$89,124.09		\$88,500.00	\$624.09
8 Transfers:					
9 In (out)					
10 Net Transfers					
11 Expenditures:					
12 Salaries	\$3,300.00	\$13,270.00		\$13,500.00	-\$230.00
13 Accrued Payroll Tax	\$0.00	\$94.69		\$0.00	\$94.69
14 Insurance & Bonds	\$169.00	\$1,766.00		\$2,200.00	-\$434.00
15 Tax - Payroll	\$263.34	\$1,036.41		\$1,050.00	-\$13.59
16 Repairs & Maint	\$1,614.37	\$8,991.37		\$9,000.00	-\$8.63
17 Office Supplies	\$214.00	\$1,700.70		\$1,900.00	-\$199.30
18 Audit	\$0.00	\$3,408.93		\$4,900.00	-\$1,491.07
19 Tax-Gross Receipts	\$1,155.15	\$4,399.07		\$4,700.00	-\$300.93
20 Legal & Profess	\$1,094.75	\$1,879.39		\$4,300.00	-\$2,420.61
21 Licenses & Permits	\$1,150.00	\$1,150.00		\$100.00	\$1,050.00
22 Utilities	\$361.31	\$916.96		\$3,700.00	-\$2,783.04
23 Storage Expense	\$0.00	\$120.00		\$120.00	\$0.00
24 Sewer Treatment Service	\$5,901.25	\$23,389.62		\$36,000.00	-\$12,610.38
					\$0.00
26 Total Expenditures	\$15,223.17	\$62,123.14		\$81,470.00	-\$19,346.86


 Prepared By

STATE OF NEW MEXICO
WILLIAMS ACRES WATER AND SANITATION DISTRICT
YEAR-END FINANCIAL REPORT SUBMITTED TO DFA
YEAR ENDED JUNE 30, 2017

Department of Finance and Administration
 Local Government Division
 Williams Acres Water and Sanitation District
 Quarterly Cash Report
 June 30, 2017

Fund (1)	Fund No. (2)	Cash Balance Per Books July 1, 2008 (3)	Receipts to Date (4)	Transfers To & From (5)	Disbursements to Date (6)	Cash Balance End of Period
Operating						
Pinnacle Bk - Savings	#2	\$30,497.64	\$156.84	\$30,100.00	\$0.00	\$60,754.48
US Bank-Savings	#3	\$244,897.42	\$244.62		\$0.00	\$245,142.04
Pinnacle Bk - Checking	#1	\$12,527.75	\$88,722.63	-\$30,100.00	-\$62,123.14	\$9,027.24
Subtotal						
Investments						
Grand Total		\$287,922.81	\$89,124.09	\$0.00	-\$62,123.14	\$314,923.76

Prepared By: *Dana Scott*

STATE OF NEW MEXICO
WILLIAMS ACRES WATER AND SANITATION DISTRICT
YEAR-END FINANCIAL REPORT SUBMITTED TO DFA
YEAR ENDED JUNE 30, 2017

Department of Finance and Administration
 Local Government Division
 Williams Acres Water and Sanitation District
 Quarterly Cash Report
 June 30, 2017

Bank Reconciliation

Fund (1)	Cash Balance End of Period (8)	Add Outstanding Checks (9)	Less: Deposits in Transit (10)	Adjustments Plus/Minus (11)	Total (12)	Balance Per Bank Statement (13)	Difference (14)
Operating							
Pinnacle Bk-Savings	\$60,754.48	\$0.00	\$0.00		\$60,754.48	\$60,754.48	
First Community Bk	\$245,142.04	\$0.00	\$0.00		\$245,142.04	\$245,142.04	
Pinnacle Bk - Checking	\$9,027.24	\$3,762.20	\$0.00		\$12,789.44	\$12,789.44	
Subtotal							
Investments							
Grand Total	\$314,923.76	\$3,762.20	\$0.00		\$318,685.96	\$318,685.96	

Note: Any items in Column 11

Prepared By Wana Sesth

STATE OF NEW MEXICO
WILLIAMS ACRES WATER AND SANITATION DISTRICT
YEAR-END FINANCIAL REPORT SUBMITTED TO DFA
YEAR ENDED JUNE 30, 2017

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

SENT TO LOCAL GOVERNMENT DIVISION NOT LATER THAN ONE MONTH AFTER THE CLOSE OF EACH QUARTER. VERIFY CAREFULLY THAT THE CONTENTS IN THIS REPORT ARE TRUE AND CORRECT TO THE BEST OF YOUR KNOWLEDGE.

Special District: Williams Acres Sanitation District
 Quarter Ending: 6/30/2017
 Prepared by: XX

Dona Scott
 (signature line)

QUARTERLY YEAR-TO-DATE TRANSACTIONS PER BOOKS													
FUND TITLE	FUND NUMBER	UNAUDITED BEGINNING CASH BALANCE @ JULY 1 (for 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 (GP)	101	287,923	-	89,124	-	62,123	314,924	3,762	-	-	318,686	318,686	-
INTERGOVERNMENTAL GRANTS	218	-	-	-	-	-	-	-	-	-	-	-	-
OTHER	299	-	-	-	-	-	-	-	-	-	-	-	-
WATER SERVICE	400	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total		\$ 287,923	\$ -	\$ 89,124	\$ -	\$ 62,123	\$ 314,924	\$ 3,762	\$ -	\$ -	\$ 318,686	\$ 318,686	\$ -

STATE OF NEW MEXICO
WILLIAMS ACRES WATER AND SANITATION DISTRICT
YEAR-END FINANCIAL REPORT SUBMITTED TO DFA
YEAR ENDED JUNE 30, 2017

SPECIAL DISTRICT: ams Acres Sanitation District
 QUARTER ENDING: 6/30/17

EXPENDITURES	CURRENT QUARTER	YEAR TO DATE	APPROVED BUDGET	YTD % OF BUDGET
General Fund 101 (enter items below)				
	-	-	-	-
	-	-	-	-
	-	-	-	-
Salaries	3,300	13,270	13,500	98%
Accrued Payroll	-	95	-	-
Insurance and Bonds	169	1,766	2,200	80%
Payroll Tax	263	1,036	1,050	99%
Repairs and Maintenance	1,614	8,991	9,000	100%
Office Supplies	214	1,701	1,900	90%
Audit	-	3,409	4,900	70%
Gross Receipts Tax	1,155	4,399	4,700	94%
Legal and Professional	1,095	1,879	4,300	44%
Licenses and Permits	1,150	1,150	1,250	92%
Utilities	361	917	3,700	25%
Storage	-	120	120	100%
Sewer Treatment Service	5,901	23,390	36,000	65%
	-	-	-	-
	-	-	-	-
TOTAL GENERAL FUND EXPENDITURES	\$ 15,223	\$ 62,123	\$ 82,620	75%
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	\$ 15,223	\$ 62,123	\$ 82,620	75%

STATE OF NEW MEXICO
WILLIAMS ACRES WATER AND SANITATION DISTRICT
YEAR-END FINANCIAL REPORT SUBMITTED TO DFA
YEAR ENDED JUNE 30, 2017

SPECIAL DISTRICT: ams Acres Sanitation District
 QUARTER ENDING: 6/30/17

REVENUES	CURRENT QUARTER	YEAR TO DATE	APPROVED BUDGET	YTD % OF BUDGET
General Fund 101 (enter items below)				
O & M	21,663	85,123	85,000	100%
Connections	53	253	-	-
Savings Interest	62	249	-	-
Advert. Funds	3,500	3,500	3,500	100%
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
Subtotal General Fund Revenues	\$ 25,278	\$ 89,124	\$ 88,500	101%
Other Financing Sources:				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Transfers	\$ -	\$ -	\$ -	-
TOTAL GENERAL FUND REVENUES	\$ 25,278	\$ 89,124	\$ 88,500	101%
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	\$ 25,278	\$ 89,124	\$ 88,500	101%

STATE OF NEW MEXICO
WILLIAMS ACRES WATER AND SANITATION DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2017

Current Year Findings

2017-001 - Bank Reconciliation Not Timely (Control Deficiency)

Condition: 1 of 12 operating account bank reconciliations was not completed timely. The operating account reconciliation for February 2017 was completed on April 10, 2017.

Criteria: Internal control and proper stewardship requires timely and accurate bank reconciliations each month.

Cause: The District did not have a policy to complete the reconciliations timely and accurately.

Effect: If cash is not reconciled accurately and reported in a timely manner, it may be difficult to properly safeguard the District's assets. Errors may go undetected until it is too late to correct.

Recommendation: I recommend the District implement policies and procedures that require timely and accurate completion of the bank reconciliation each month. The procedures should provide for proper review and approval of the reconciliation by a person independent of the accounting function.

Agency's Response: Williams Acres Sanitation District needed to place separate bookkeeping duties in order to increase its Bond coverage. As of April 18th, of 2017, the District has implemented the procedure that bookkeeper, Dana Scott, can write checks, sign checks and make deposits. Secretary/Treasurer, Walter Ishmael, now reconciles the bank statements and is not on any of the bank account signature cards.

2017-002 Lack of Supporting Documentation for Operating Disbursements (Significant Deficiency)

Condition: 39 disbursements were tested. 1 out of 39 disbursements did not have any supporting documentation for a total of \$90.

Criteria: Proper internal controls dictate that a disbursement should only be made once the invoice or receipt is received and applicable authorizations are complete. These steps should be documented and the paperwork retained.

Cause: The District could not locate the receipt in question.

Effect: Transactions may occur that are not properly supported. The District may be subject to fraud waste or abuse by not properly retaining documentation for every transaction.

STATE OF NEW MEXICO
WILLIAMS ACRES WATER AND SANITATION DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2017

2017-002 Lack of Supporting Documentation for Operating Disbursements - continued

Recommendation: The District should adopt a policy that outlines procedures for the authorization and document retention for all transactions.

Agency's Response: Bookkeeper, Dana Scott, has always had the procedure of having the invoice present and attach to the check when asking for a second signature from a Board member. The lost invoice was from when bookkeeper, Dana Scott, needed to buy stamps from US Postal Services, in which was preauthorized by a Board member with a second signature on the check. Dana Scott was at fault for not getting the invoice in place after purchase. Williams Acres Sanitation District will immediately place a procedure to doing a monthly inventory on its monthly invoices to make sure there is documentation for each transaction.

2017-003 Journal Entries are Not Approved

Condition: Seven of 8 journal entries tested that were prepared by the District bookkeeper had no evidence of board approval.

Criteria: Section 12-6-3 B(6) NMSA 1978 requires the independent public accountant to determine whether the local public body has procedures in place that requires journal entries to be reviewed, and that evidence of the review is documented.

Cause: The District does not have a policy for approving journal entries.

Effect: Without a policy for reviewing and approving journal entries, there is an increased risk that a material misstatement in the District's financial statements will not be prevented, detected or corrected.

Recommendation: I recommend the District adopt a policy for documenting, reviewing and approving journal entries prior to recording them in the general ledger.

Agency Response: Bookkeeper, Dana Scott, will include any monthly journal entries to the District monthly financial reports. All monthly financial reports are approved with a signature and included in the monthly minutes by the District Board members.

**STATE OF NEW MEXICO
WILLIAMS ACRES WATER AND SANITATION DISTRICT
STATUS OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2017**

Prior Year Findings

None.

STATE OF NEW MEXICO
WILLIAMS ACRES WATER AND SANITATION DISTRICT
EXIT CONFERENCE
YEAR ENDED JUNE 30, 2017

The report contents were discussed at an exit conference held on November 21, 2017 with the following in attendance:

Williams Acres Water and Sanitation District

Matt Wright	President
Dana Scott	Bookkeeper

James L. Hartogenesis, CPA LLC

James Hartogenesis, CPA, CGFM	Principal
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