

STATE OF NEW MEXICO
TRI-CITY LANDFILL COMMISSION

Independent Accountants' Report on Applying Agreed-Upon Procedures

**For the Year Ended
June 30, 2011**

STATE OF NEW MEXICO
TRI-CITY LANDFILL COMMISSION
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June 30, 2011

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STATE OF NEW MEXICO
TRI-CITY LANDFILL AUTHORITY
OFFICIAL ROSTER
June 30, 2011

BOARD OF COMMISSIONERS

Charles L. Kelly	Commissioner
Fernando Martinez	Commissioner
Richard Bauch	Commissioner
Kristina V. Ortiz	Bookkeeper

CARNEY FOY
CERTIFIED PUBLIC ACCOUNTANT
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**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES**

To: Tri-City Landfill Authority Commission
Commissioner Charles Kelly
Commissioner Richard Bauch
Commissioner Fernando Martinez
and
Honorable Hector H. Balderas
New Mexico State Auditor

We have performed the procedures enumerated below for the Tri-City Landfill Authority Commission (Commission), for the year ended June 30, 2011. The Commission was determined to be a Tier 4 entity under the Audit Act, Section 12-6-3 B (4) NMSA 1978 and Section 2.2.2.16 NMAC. The procedures were agreed to by the AVWDA through the Office of the New Mexico State Auditor. The Tri-City Landfill Authority Commission's management is responsible for the organization's accounting records. 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 this 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. Our procedures and findings are as follows:

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.
- 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 DFA-Local Government Division (DFA-LGD).
- 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

- a) The Commission has two checking accounts. The Organization utilizes the Sage Software Accounting system to record their financial transactions and accounting information. All bank reconciliations are performed on a timely basis and all were completed and on-hand and agree to the general ledger accounting system.
- b) Random tests of bank reconciliations revealed no exceptions for accuracy. The reconciliations were accurate and agreed with supporting documentation. Quarterly financial reports that were submitted to DFA-LGD agreed to the general ledger.
- c) Collateral requirements on cash balances required by Section 6-10-17- NMSA 1978, NM Public Money Act, have been met by the agency as the FDIC insurance coverage exceeds requirements.

Capital Assets

Procedures

Verify that the local public body is performing a yearly inventory as required by Section 12-6-10 NMSA 1978.

Findings

- a) The Organization performs a yearly inventory as required by Section 12-6-10 NMSA 1978 and maintains a capital asset listing.

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.

Test 50% of the total amount of revenues for the following attributes:

- a) Amount recorded in the general ledger agrees to the supporting documentation and the bank statements.
- b) 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. The basis for the organization is the cash basis.

Findings

- a) Analytical review and test of actual revenue compared to budgeted revenue for the year for each type of revenue revealed that the revenue does related in a comparative budgetary system. We choose to compare actual revenues with prior year's similar month revenues. This analytical procedure revealed similar comparisons for the period. The commission's budgetary system does correspond to their accounting procedures.
- b) Amounts recorded into the Sage Software Accounting system does agreed with supporting documentation and the bank statements on a consistent basis.
- c) Amounts were properly recorded using the cash basis of accounting. The Peachtree Software Accounting system is reflecting classification, amount and period per review in relationship to the supporting documentation of the organization.

Expenditures

Procedures

Select a sample of cash disbursements and test at least 50% of the total amount of expenditures for 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

- a) Amounts recorded as disbursed agreed to supporting documentation. Amount paid, payee, date and description agreed with the vendor's invoice, purchase order, contract and cancelled check, as appropriate.

- b) Disbursements were properly authorized and approved in compliance with legal requirements and the established policies and procedures of the agency. The expenditures were posted to accounts that allowed for budgetary comparisons.
- c) The bid process (or request for proposal, 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).

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

The Commission utilizes Sage Software Accounting system to record the accounting activity of the organization. Limited reoccurring journal entries, included interest income and bank charges, are being prepared as necessary, with proper approval.

Budget

Procedures

Obtain the original fiscal year budget and all budget amendments made through 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, the commission has prepared 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

- a) The Commissions original budget and the subsequent budget adjusts were approved by the local public body's governing body and DFA-LDG for the fiscal year ended.
- b) Total actual expenditures did not exceed the final budget at the legal level of budgetary control.
- c) The commission has prepared a budget report for the year ended June 30, 2011 to DFA-LGD. A schedule of revenues and expenditures – budget and actual was prepared on the budgetary basis and submit to the DFA-LGD, for the year ended June 30, 2011.

Other

Procedures

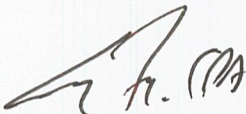
- a) If information comes to the IPA's attention (regardless of materiality) indicating any fraud, illegal acts, noncompliance, or any internal control deficiencies, disclose in the report as required by Section, 12-6-6 NMSA 1978. The findings must include the required content per Section 2.2.2.10 (I) (3) (C) NMAC.

Findings

- a) No exceptions were found as a result of applying the procedures described above (regardless of materiality) indicating any fraud, illegal acts, or any internal control deficiencies.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on the accounting records. 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 Tri-City Landfill Authority Commission on, the New Mexico State Auditor's Office and the DFA-LGD and is not intended to be and should not be used by anyone other than those specified parties.



Carney Foy, CPA
Silver City, New Mexico
June 5, 2012

STATE OF NEW MEXICO
 TRI-CITY LANDFILL COMMISSION
Schedule of Revenues and Expenditures- Budget and Actual (Cash Basis)
 Year Ended June 30, 2011

GENERAL FUND

	Original Budget	Final Budget	Actuals	Variance With Final Budget Over (Under)
Operating Revenue				
Operating Revenue	\$ 6,000	6,100	6,100	-
Interest Income	150	900	820	(80)
Total Revenue	\$ 6,150	7,000	6,920	(80)
Operating Expenses				
Office Supplies	\$ 370	370	100	270
Travel and Training	50	335	333	2
Miscellaneous	50	50	-	50
Insurance Expense	50	50	-	50
Bonding Fees	50	50	-	50
Bookkeeping Fees	2,160	2,160	2,145	15
Attorney Fees	50	50	-	50
Audit Services	3,200	3,200	-	3,200
Total Expenditures	\$ 5,980	6,265	2,578	3,687
Excess (deficiency) of revenues over expenditures	\$ 170	735	4,342	3,607
Cash Balance, beginning of year	\$ 66,953	66,953	66,953	-
Cash Balance, end of year	\$ 67,123	67,688	71,295	3,607

STATE OF NEW MEXICO
 TRI-CITY LANDFILL COMMISSION
Schedule of Revenues and Expenditures- Budget and Actual (Cash Basis)
 Year Ended June 30, 2011

MONITORING FUND

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
Operating Revenue				
Monitoring Revenue	\$ 4,288	29,508	29,502	(6)
State Grants	33,650	33,650	26,302	(7,348)
Interest Income	100	100	96	(4)
Total Revenue	\$ 38,038	63,258	55,900	(7,358)
Operating Expenses				
Well Monitoring Fees	\$ 33,600	35,940	35,936	4
Office Supplies	100	100	-	100
Total Expenses	\$ 33,700	36,040	35,936	104
Excess (deficiency) of revenues over expenditures	\$ 4,338	27,218	19,964	(7,254)
Cash Balance, beginning of year	\$ 23,204	23,204	23,204	
Cash Balance, end of year	<u>\$ 27,542</u>	<u>50,422</u>	<u>43,168</u>	<u>(7,254)</u>

DEPARTMENT OF FINANCE - ADMINISTRATION
LOCAL GOVERNMENT DIVISION

SPECIAL DISTRICT: TRACY LANDFILL

Period Ending: 06/30/2011

Prepared By: Kristina Ortiz

SUBMIT TO LOCAL GOVERNMENT DIVISION NO LATER THAN 30 DAYS 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. THIS REPORT DEPICTS ALL FUNDS

[Signature]
Signature

Fund #	FUND NAME	BEGINNING CASH BALANCE CURRENT FY (1)	YEAR-TO-DATE TRANSACTIONS					OTR ENDING CASH BALANCE (1)+(2)-(3)-(4)-(5) (6)	INVESTMENTS (7)	CASH INVESTMENTS (8)	REQUIRED RESERVES (9)	AVAILABLE CASH (8)-(9)
			REVENUES TO DATE (2)	TRANSFERS TO DATE (3)	EXPENDITURES TO DATE (4)	ADJUSTMENTS (5)						
101	GENERAL FUND (GF)	\$0	0	0	0	0	\$0	0	\$0	N/A	\$0	
201	CORRECTION	\$0	0	0	0	0	\$0	0	\$0		\$0	
202	ENVIRONMENTAL GR	\$0	0	0	0	0	\$0	0	\$0		\$0	
206	EMS	\$0	0	0	0	0	\$0	0	\$0		\$0	
207	ENHANCED 911	\$0	0	0	0	0	\$0	0	\$0		\$0	
209	FIRE PROTECTION FUND	\$0	0	0	0	0	\$0	0	\$0		\$0	
211	LEPP	\$0	0	0	0	0	\$0	0	\$0		\$0	
214	LODGERS TAX	\$0	0	0	0	0	\$0	0	\$0		\$0	
216	MUNICIPAL STREET	\$0	0	0	0	0	\$0	0	\$0		\$0	
217	RECREATION	\$0	0	0	0	0	\$0	0	\$0		\$0	
218	INTERGOVERNMENTAL GRANTS	\$0	0	0	0	0	\$0	0	\$0		\$0	
219	SENIOR CITIZEN	\$0	0	0	0	0	\$0	0	\$0		\$0	
223	DWI PROGRAM	\$0	0	0	0	0	\$0	0	\$0		\$0	
299	OTHER	\$0	0	0	0	0	\$0	0	\$0		\$0	
300	CAPITAL PROJECT FUNDS	\$0	0	0	0	0	\$0	0	\$0		\$0	
401	G. O. BONDS	\$0	0	0	0	0	\$0	0	\$0		\$0	
402	REVENUE BONDS	\$0	0	0	0	0	\$0	0	\$0		\$0	
403	DEBT SERVICE OTHER	\$0	0	0	0	0	\$0	0	\$0		\$0	
500	ENTERPRISE FUNDS											
	Water Fund	\$0	0	0	0	0	\$0	0	\$0		\$0	
	Solid Waste	\$0	0	0	0	0	\$0	0	\$0		\$0	
	Waste Water	\$0	0	0	0	0	\$0	0	\$0		\$0	
	Airport	\$0	0	0	0	0	\$0	0	\$0		\$0	
	Ambulance	\$0	0	0	0	0	\$0	0	\$0		\$0	
	Cemetery	\$0	0	0	0	0	\$0	0	\$0		\$0	
	Housing	\$0	0	0	0	0	\$0	0	\$0		\$0	
	Parking	\$0	0	0	0	0	\$0	0	\$0		\$0	
	ENTERPRISE I	\$9,283	6,920	0	2,578	0	\$13,624	\$7,670	\$71,295		\$71,295	
	ENTERPRISE II	\$13,642	\$5,900	0	35,936	0	\$33,007	10,162	\$43,168		\$43,168	
	Other - Enterprise	\$0	0	0	0	0	\$0	0	\$0		\$0	
600	INTERNAL SERVICE FUNDS	\$0	0	0	0	0	\$0	0	\$0		\$0	
700	TRUST AND AGENCY FUNDS	\$0	0	0	0	0	\$0	0	\$0		\$0	
	GRAND TOTAL	\$22,325	\$63,820	\$0	\$39,514	\$0	\$46,631	\$67,832	\$114,461	\$0	\$114,461	

FORM MODIFIED 05/30/2008

ENTERPRISE FUNDS

SPECIAL DISTRICT: TRI-CITY LANDFILL

Period Ending: ~~6/30/11~~ 6/30/11

COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES	BUDGETED AMOUNTS			ACTUALS Y-T-D	ENCUMBRANCES Y-T-D	Variance With Adjusted Budget Positive (Negative)	
	Approved Budget	Budget Adjustments	Adjusted Budget			\$	%
REVENUES ENTERPRISE I							
Charges for Services	\$6,000	\$100	\$6,100	\$6,100		\$0	100.00%
Interest on Investments	\$150	\$750	\$900	\$820		(\$80)	91.06%
Gross Receipts - dedicated	\$0	\$0	\$0	\$0		\$0	n/a
Grants - Federal	\$0	\$0	\$0	\$0		\$0	n/a
Grants - State	\$0	\$0	\$0	\$0		\$0	n/a
Legislative Appropriation	\$0	\$0	\$0	\$0		\$0	n/a
Other	\$0	\$0	\$0	\$0		\$0	n/a
TOTAL REVENUES - Water Fund	\$6,150	\$850	\$7,000	\$6,920		(\$80)	98.85%
EXPENDITURES							
Other Enterprise Fund	\$5,980	\$285	\$6,265	\$2,578	\$0	\$3,687	41.15%
OTHER FINANCING SOURCES							
Transfers In	\$0	\$0	\$0	\$0		\$0	n/a
Transfers (Out)	\$0	\$0	\$0	\$0		\$0	n/a
TOTAL - OTHER FINANCING SOURCES	\$0	\$0	\$0	\$0		\$0	n/a
Excess (deficiency) of revenues over expenditures							
				\$4,341			
REVENUES ENTERPRISE II							
Charges for Services	\$4,288	\$25,220	\$29,508	\$29,502		(\$6)	99.98%
Interest on Investments	\$100	\$0	\$100	\$96		(\$4)	96.21%
Gross Receipts - dedicated	\$0	\$0	\$0	\$0		\$0	n/a
Grants - Federal	\$0	\$0	\$0	\$0		\$0	n/a
Grants - State	\$33,650	\$0	\$33,650	\$26,302		(\$7,348)	78.16%
Legislative Appropriation	\$0	\$0	\$0	\$0		\$0	n/a
Other	\$0	\$0	\$0	\$0		\$0	n/a
TOTAL REVENUES - Water Fund	\$38,038	\$25,220	\$63,258	\$55,900		(\$7,358)	88.37%
EXPENDITURES							
Other Enterprise Fund	\$33,700	\$2,340	\$36,040	\$35,936	\$0	\$104	99.71%
OTHER FINANCING SOURCES							
Transfers In	\$0	\$0	\$0	\$0		\$0	n/a
Transfers (Out)	\$0	\$0	\$0	\$0		\$0	n/a
TOTAL - OTHER FINANCING SOURCES	\$0	\$0	\$0	\$0		\$0	n/a
Excess (deficiency) of revenues over expenditures							
				\$19,965			
REVENUES (Other Enterprise Fund (enter fund name))							
Charges for Services	\$0	\$0	\$0	\$0		\$0	n/a
Interest on Investments	\$0	\$0	\$0	\$0		\$0	n/a
Gross Receipts - dedicated	\$0	\$0	\$0	\$0		\$0	n/a
Grants - Federal	\$0	\$0	\$0	\$0		\$0	n/a
Grants - State	\$0	\$0	\$0	\$0		\$0	n/a
Legislative Appropriation	\$0	\$0	\$0	\$0		\$0	n/a
Other	\$0	\$0	\$0	\$0		\$0	n/a
TOTAL REVENUES - Water Fund	\$0	\$0	\$0	\$0		\$0	n/a
EXPENDITURES							
Other Enterprise Fund	\$0	\$0	\$0	\$0	\$0	\$0	n/a
OTHER FINANCING SOURCES							
Transfers In	\$0	\$0	\$0	\$0		\$0	n/a
Transfers (Out)	\$0	\$0	\$0	\$0		\$0	n/a
TOTAL - OTHER FINANCING SOURCES	\$0	\$0	\$0	\$0		\$0	n/a
Excess (deficiency) of revenues over expenditures							
				\$0			

STATE OF NEW MEXICO
 TRI-CITY LANDFILL COMMISSION
Schedule of Findings and Responses
 Year Ended June 30, 2011

	<u>Type of Finding*</u>	<u>Prior Year Finding Number</u>	<u>Current Year Finding Number</u>
Current Year Findings:			
Audit Report Submission	D	N/A	2011-1
Follow-up on Prior Year Findings:			
None	N/A	N/A	N/A

*** Legend for Findings:**

- A. Fraud
- B. Illegal Act(s)
- C. Internal Control Deficiency
- D. Noncompliance

STATE OF NEW MEXICO
TRI-CITY LANDFILL COMMISSION
Schedule of Findings and Responses
For the year ending June 30, 2011

2011-1
Audit Report Submission Date

Criteria

The agreed upon procedures report is due to the Office of the State Auditor on or before December 1, 2011, as required by Sections 2.2.2.9(A) and Section 2.2.2.16 (H) NMAC.

Condition

The audit report was submitted to the Office of the State Auditor on June 5, 2012.

Cause

This was the first year that the agency was required to obtain Tier 4 agreed upon procedures services. This caused a delay in the entire process.

Effect

Delays in submission of the agreed upon procedures report affect the reporting of financial information to other state agencies and local governments. The agency is not in compliance with section 2.2.2.9(A) and section 2.2.2.16(h) NMAC.

Recommendation

We recommend that the agency submit the agreed upon procedures report by the established due date of December 1.

Entity Response

Tri-City Landfill Commission will review this process and will make every effort not to be late with this report in future years.

STATE OF NEW MEXICO
TRI-CITY LANDFILL COMMISSION
EXIT CONFERENCE
For the Year Ending June 30, 2011

EXIT CONFERENCE

The report contents were discussed at an exit conference held December 20, 2011 with the following in attendance:

Tri-City Landfill Authority Commission

Charles Kelly Commissioner
Kristina V. Ortiz Bookkeeper

Accounting Firm

Carney Foy, CPA