

STATE OF NEW MEXICO
TRI-CITY LANDFILL COMMISSION

Independent Accountants' Report on Applying Agreed-Upon Procedures

**For the Year Ended
June 30, 2012**

**STATE OF NEW MEXICO
TRI-CITY LANDFILL COMMISSION
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June 30, 2012**

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STATE OF NEW MEXICO
TRI-CITY LANDFILL AUTHORITY
OFFICIAL ROSTER
June 30, 2012

BOARD OF COMMISSIONERS

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

CARNEY FOY
CERTIFIED PUBLIC ACCOUNTANT
P.O. BOX 2331
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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, 2012. 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 Commission 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. The 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 relate in this 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 do 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, 2012 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, 2012.

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 (l) (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, 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
January 29, 2013

**STATE OF NEW MEXICO
TRI-CITY LANDFILL COMMISSION
Schedule of Revenues and Expenditures- Budget and Actual (Cash Basis)
Year Ended June 30, 2012**

GENERAL FUND

	Original Budget	Final Budget	Actuals	Variance With Final Budget Over (Under)
Operating Revenue				
Operating Revenue	\$ 6,000	6,000	6,100	100
Interest Income	800	800	459	(341)
Total Revenue	\$ 6,800	6,800	6,559	(241)
Operating Expenses				
Office Supplies	\$ 300	300	91	209
Travel and Training	400	400	-	400
Miscellaneous	350	350	-	350
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	2,537	663
Total Expenditures	\$ 6,560	6,560	4,773	1,787
Excess (deficiency) of revenues over expenditures	\$ 240	240	1,786	1,546
Cash Balance, beginning of year	\$ 71,295	71,295	71,295	-
Cash Balance, end of year	\$ 71,535	71,535	73,081	1,546

STATE OF NEW MEXICO
 TRI-CITY LANDFILL COMMISSION
Schedule of Revenues and Expenditures- Budget and Actual (Cash Basis)
 Year Ended June 30, 2012

MONITORING FUND

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
Operating Revenue				
Monitoring Revenue	\$ 37,910	46,311	46,311	-
State Grants	-	-	-	-
Interest Income	100	100	92	(8)
Total Revenue	\$ 38,010	46,411	46,403	(8)
Operating Expenses				
Well Monitoring Fees	\$ 26,110	26,174	26,073	101
Office Supplies	-	-	27	(27)
Total Expenses	\$ 26,110	26,174	26,100	74
Excess (deficiency) of revenues over expenditures	\$ 11,900	20,237	20,303	66
Cash Balance, beginning of year	\$ 43,168	43,168	43,168	-
Cash Balance, end of year	\$ 55,068	63,405	63,471	66

DEPARTMENT OF FINANCE AND ADMINISTRATION
LOCAL GOVERNMENT DIVISION

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 AFFECTS ALL FUNDS.

Signature
SIGNED

SPECIAL DISTRICT: TRI-CITY LANDFILL
Period Ending: 06/30/2012
Prepared By: Kristina Ortiz

Fund #	FUND NAME	BEGINNING CASH BALANCE CURRENT FY (1)	YEAR-TO-DATE TRANSACTIONS					QTR ENDING CASH BALANCE (1/12/13)(4)(5)	INVESTMENTS (7)	CASH + INVESTMENTS (8)	REQUIRED RESERVES (9)	AVAILABLE CASH (9)-(9)
			REVENUES TO DATE (2)	TRANSFERS TO DATE (3)	EXPENDITURES TO DATE (4)	ADJUSTMENTS (5)						
101	GENERAL FUND (GF)	50	0	0	0	0	50	0	50	N/A	50	
201	CORRECTION	50	0	0	0	0	50	0	50		50	
202	ENVIRONMENTAL CRT	50	0	0	0	0	50	0	50		50	
206	BMS	50	0	0	0	0	50	0	50		50	
207	ENHANCED 911	50	0	0	0	0	50	0	50		50	
209	FIRE PROTECTION FUND	50	0	0	0	0	50	0	50		50	
211	LEFF	50	0	0	0	0	50	0	50		50	
214	LODGERS TAX	50	0	0	0	0	50	0	50		50	
216	MUNICIPAL STREET	50	0	0	0	0	50	0	50		50	
217	RECREATION	50	0	0	0	0	50	0	50		50	
218	INTERGOVERNMENTAL GRANTS	50	0	0	0	0	50	0	50		50	
219	SENIOR CITIZEN	50	0	0	0	0	50	0	50		50	
223	DWI PROGRAM	50	0	0	0	0	50	0	50		50	
299	OTHER	50	0	0	0	0	50	0	50		50	
300	CAPITAL PROJECT FUNDS	50	0	0	0	0	50	0	50		50	
401	G. O. BONDS	50	0	0	0	0	50	0	50		50	
402	REVENUE BONDS	50	0	0	0	0	50	0	50		50	
403	DEBT SERVICE OTHER	50	0	0	0	0	50	0	50		50	
500	ENTERPRISE FUNDS	50	0	0	0	0	50	0	50		50	
	Waste Fund	50	0	0	0	0	50	0	50		50	
	Solid Waste	50	0	0	0	0	50	0	50		50	
	Waste Water	50	0	0	0	0	50	0	50		50	
	Airport	50	0	0	0	0	50	0	50		50	
	Ambulance	50	0	0	0	0	50	0	50		50	
	Cemetery	50	0	0	0	0	50	0	50		50	
	Housing	50	0	0	0	0	50	0	50		50	
	Parking	50	0	0	0	0	50	0	50		50	
	ENTERPRISE I	512,753	6,108	0	4,773	0	514,089	28,992	573,081		573,081	
	ENTERPRISE II	532,939	46,335	0	26,100	0	572,960	10,298	580,258		580,258	
	Other - Enterprise	50	0	0	0	0	50	0	50		50	
600	INTERNAL SERVICE FUNDS	50	0	0	0	0	50	0	50		50	
700	TRUST AND AGENCY FUNDS	50	0	0	0	0	50	0	50		50	
	GRAND TOTAL	545,692	552,443	50	530,872	0	542,049	569,290	511,339	50	511,339	

FORM MODIFIED 05/30/2008

ENTERPRISE FUNDS

SPECIAL DISTRICT: TRI-CITY LANDFILL
 Period Ending: 06/30/12

COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES	BUDGETED AMOUNTS			ACTUALS Y-T-D	ENCUMBRANCES Y-T-D	Variance With Adjusted Budget	
	Approved Budget	Budget Adjustments	Adjusted Budget			\$	%
	Positive (Negative)						
REVENUES ENTERPRISE I							
Charges for Services	\$6,000	\$0	\$6,000	\$6,100		\$100	101.67%
Interest on Investments	\$800	\$0	\$800	\$8		(\$792)	1.01%
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	\$6,800	\$0	\$6,800	\$6,108		(\$692)	89.83%
EXPENDITURES							
Other Enterprise Fund	\$6,560	\$0	\$6,560	\$4,773	\$0	\$1,788	72.75%
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				\$1,336			
REVENUES ENTERPRISE II							
Charges for Services	\$17,910	\$8,401	\$46,311	\$46,311		(\$1)	100.00%
Interest on Investments	\$100	\$0	\$100	\$24		(\$76)	24.36%
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	\$38,010	\$8,401	\$46,411	\$46,335		(\$76)	99.84%
EXPENDITURES							
Other Enterprise Fund	\$26,110	\$64	\$26,174	\$26,100	\$0	\$74	99.72%
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				\$20,235			
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			

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STATE OF NEW MEXICO
 TRI-CITY LANDFILL COMMISSION
Schedule of Findings and Responses
 Year Ended June 30, 2012

	<u>Type of Finding*</u>	<u>Prior Year Finding Number</u>	<u>Current Year Finding Number</u>
Current Year Findings:			
Audit Report Submission	D	2011-1	2012-1
Follow-up on Prior Year Findings:			
Audit Report Submission	D	2011-1	2012-1

- * 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, 2012

2012-1

Audit Report Submission Date

Criteria

The agreed upon procedures report is due to the Office of the State Auditor on or before December 1, 2012, 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 January 30, 2013.

Cause

The report was late due the infrequency of the Commissions meeting and in coordinating this activity with the auditor.

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 effect 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, 2012

EXIT CONFERENCE

The report contents were discussed at an exit conference held January 29, 2013 with the following in attendance:

Tri-City Landfill Authority Commission

Charles Kelly Commissioner

Fernando Martinez Commissioner

Kristina V. Ortiz Bookkeeper

Accounting Firm

Carney Foy, CPA