
TOWN OF COCHITI LAKE
REPORT OF INDEPENDENT ACCOUNTANT ON THE APPLICATION OF
AGREED-UPON PROCEDURES
AND
COMPILATION REPORT OF INDEPENDENT ACCOUNTANT AND
COMPILED FINANCIAL STATEMENTS
JUNE 30, 2019

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Certified Public Accountants
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TOWN OF COCHITI LAKE
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**TOWN OF COCHITI LAKE
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2019**

Town Assembly

Don Topper

Mayor

Jim Lain

Mayor Pro-Tem

Robert Levin

Assembly Member

Pam Plaza

Assembly Member

Bill Riker

Assembly Member

Town Administration

Dolly Kauley

Town Administrator

Cindy Eakin

Town Treasurer

**Report of Independent Accountant
on the Application of Agreed-Upon Procedures**

Mr. Brian S. Colón, New Mexico State Auditor and
the Town Assembly
Town of Cochiti Lake, New Mexico
Cochiti Lake, New Mexico

We have performed the procedures enumerated below, which were agreed to by the Town of Cochiti Lake, New Mexico (Town) and the New Mexico State Auditor (the specified parties), solely to assist users in evaluating the Town's financial reporting relating to its cash, capital assets, debt, revenues, expenditures, journal entries, and budget information and its compliance with Section 12-6-3 B (6) NMSA 1978 and Section 2.2.2.16 NMAC, as of and for the year ended June 30, 2019. The Town's management is responsible for its accounting records, financial reporting, and compliance with the State Auditor rules 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.

Our procedures and findings are as follows:

In accordance with Tier 6 of the Audit Act - Section 12-6-3 B (6) NMSA 1978 and Section 2.2.2.16 NMAC, the procedures and associated findings are as follows:

1. Verify the Local Public Body's Revenue Calculation for Tiered System Reporting

We used the tiered system reporting worksheet provided by the New Mexico State Auditor's Office to recalculate the tiered system reporting calculation prepared by the Town.

Findings Resulting from Procedure 1

Our procedures confirmed that the Town should have Tier 6 procedures.

2. Cash

- (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) Test at least 30% 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).

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Cochiti Lake, New Mexico

- (c) Determine whether the local public body's financial institutions have provided it with 50% pledged collateral on all uninsured deposits as required by Section 6-10-17 NMSA 1978, NM Public Money Act, if applicable.

Findings Resulting from Procedures 2(a) – 2(c):

1. For the purposes of performing these procedures “timely” means completion of the bank reconciliations within one month after the last day of the reporting month. We requested the bank reconciliations and bank statements for the fiscal year ended June 30, 2019. The bank reconciliations were on hand and completed on time.
2. We tested 27 bank reconciliations out of a total of 48 reconciliations, and reconciled balances tie to the general ledger and the supporting documents provided. Also, the ending balances on the general ledger tie to the supporting documents and cash reported on the financial reports submitted to DFA-Local Government Division.
3. The Town has no uninsured public funds.

3. Capital Assets

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

Findings Resulting from Procedure 3

The Town is performing the required yearly count of inventory. The inventory has been certified by the Assembly.

4. Debt

If the local public body has any debt, verify that the required payments were made during the year. If the debt agreements require reserves, verify that the local public body is in compliance with those requirements.

Findings Resulting from Procedure 4

The Town has debt in the year ending June 30, 2019. The debt payments are intercepted on behalf of the Town. We reviewed the debt statement and saw that all payments were made according to the schedule. The debt agreement does not require reserves.

5. Revenue

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 equal to at least 30% of the total dollar amount and test the following attributes:

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- (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 Resulting from Procedures 5(a) – 5(c)

1. Actual revenue compared to budgeted revenue for the fiscal year is reasonable and within expectations. The variance analysis for the budgets to actual is noted in the budgetary analysis in page 7 - 9.
2. A sample of 30 revenue items totaling \$294,196 (60% of the Town's total revenue) were tested. No exceptions were noted as a result of this procedure. Amounts recorded in the general ledger agreed with supporting documents and with their corresponding bank statement.
3. A sample of 30 revenue items totaling \$294,196 were tested. No exceptions were noted for the result of this procedure. Amounts were properly recorded on a cash basis as a classification, amount and period per review of supporting documentation.

6. Expenditures:

Select a sample of cash disbursements equal to at least 30% of the total dollar amount 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 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 13-1-199 NMSA 1978) and State Purchasing Regulations (1.4.1 NMAC) and Regulations Governing the Per Diem and Mileage Act (2.42.2 NMAC).

Findings Resulting from Procedures 6(a) – 6(c): See findings 2016-003 and 2016-004 for details.

1. 60 expenditures totaling \$344,939 (52% of the Town's total expenditures) were tested. No exceptions were noted in this testwork.
2. 60 expenditures totaling \$344,939 were tested. During our testwork, it was noted that for one sample an approval signature was missing; see finding 2016-003.
3. 60 expenditures totaling \$344,939 were tested. During our testwork, it was noted that for three samples totaling \$3,990 quotes were missing from the files or were not obtained; see finding 2016-003.

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Cochiti Lake, New Mexico

7. Journal Entries

If non-routine journal entries, such as adjustments or reclassification, 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 policies and procedures that require journal entries to be reviewed and there is evidence the reviews are being performed.

Findings Resulting from Procedures 7(a) – 7(b):

1. Journal entries are reviewed and approved by someone other than the person entering the journal entries into the system.
2. The Town keeps support for the journal entries that are made into the accounting system.

8. Budget

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 Resulting from Procedures 8(a) – 8(c)

1. We verified that the budget and subsequent budget adjustments were approved by the Town's Assembly and the DFA-LGD.
2. The Town's general and special revenue funds do not exceed their authorized final budgets.
3. Budget schedules have been prepared and are presented after this agreed-upon procedures report.

9. Capital Outlay Appropriations

The scope of the agreed-upon procedures engagement shall encompass any and all state-funded capital outlay appropriations of the New Mexico Legislature that meet Tier 6 criteria. Request and review all state-funded capital outlay awards, joint powers agreements, correspondence and other relevant documentation for any capital outlay award funds expended by the recipient during the fiscal year that meet the Tier 6 criteria. Perform the following tests on all state-funded capital outlay expenditures:

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- (a) Determine that the amount recorded as disbursed agrees to adequate supporting documentation. Verify that amount, payee, date and description agree to the purchase order, contract vendor's invoice and canceled check, as appropriate.
- (b) Determine that the cash disbursements were properly authorized and approved in accordance 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 and State Purchasing Regulations (Section 13-1-28 through 13-1-199 NMSA 1978 and 1.4.1 NMAC).
- (d) Determine the physical existence (by observation) of the capital asset based on expenditures to date.
- (e) Verify that status reports were submitted to the state agency charged with oversight per the terms of the agreement and verify that the amounts in the status report agree with the general ledger and other supporting documentation.
- (f) If the project was funded in advance, determine if the award balance (and cash balance) appropriately reflects the percentage of completion based on the project schedule and expenditures to date.
- (g) If the project is complete, determine if there is an unexpended balance and whether it was reverted per statute and the agreement with the grantor.
- (h) Determine whether cash received for the award was accounted for in a separate fund or separate bank account that is non-interest bearing if so required by the capital outlay award agreement.
- (i) Determine whether reimbursement requests were properly supported by costs incurred by the recipient. Determine whether the costs were paid by the local public body prior to the request for reimbursement.

Findings Resulting from Procedures 9(a) – 9(i)

- 1. We verified the amount disbursed agrees to the supporting documentation.
- 2. All cash disbursements were properly authorized.
- 3. The bid process was performed in accordance with the New Mexico Procurement Code and State Purchasing Regulations.
- 4. We verified the physical existence of the units by observation.
- 5. We were not able to review the status reports sent to the Agency online because the client was not able to access the submitted report online.
- 6. The project was not funded in advance.
- 7. The project was completed as of June 30, 2019.

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Cochiti Lake, New Mexico

8. No exceptions were noted.
9. The reimbursement requests were properly supported and sent after the Town had paid and received the units.

Required Reporting for Capital Appropriations

The Town of Cochiti Lake received Capital Outlay Appropriation Grant 15-0840 on April 29, 2016. The amount awarded was \$70,000. The Town has received \$53,283 and has expended \$53,283 during the year ended June 30, 2019.

10. Other

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.

Findings Resulting from Procedure 10

See the Schedule of Findings and Responses beginning on page 12.

We were 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 Town's financial reporting to the State Auditor as described above. Accordingly, we do not express such an opinion or conclusion. 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 Town, the New Mexico Office of the State Auditor, the Department of Finance Administration Local Government Division, the New Mexico Legislature, and the New Mexico Department of Finance and is not intended to be, and should not be, used by anyone other than those specified parties.

Harshwal & Company LLP

**Albuquerque, New Mexico
December 11, 2019**

TOWN OF COCHITI LAKE
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)
GENERAL
FOR THE YEAR ENDED JUNE 30, 2019

	Original	Final	Actual	Variance with Final Budget Positive/ (Negative)
REVENUES:				
Property taxes	\$ 61,589	\$ 72,089	\$ 73,116	\$ 1,027
Franchise fees	6,000	6,000	5,133	(867)
Grants - state	123,600	123,600	121,610	(1,990)
Grants - local	500	3,000	3,117	117
Charges for Services	2,390	2,390	1,024	(1,366)
Interest and investment income	8,400	12,400	16,012	3,612
Other	250	7,450	7,507	57
Total revenues	<u>202,729</u>	<u>226,929</u>	<u>227,519</u>	<u>590</u>
EXPENDITURES:				
General government	145,819	145,819	147,394	(1,575)
Public works and utilities	50,519	50,826	44,992	5,834
Culture and recreation	42,688	68,422	63,225	5,197
Capital outlay	<u>25,591</u>	<u>51,595</u>	<u>50,965</u>	<u>630</u>
Total expenditures	<u>264,617</u>	<u>316,662</u>	<u>306,576</u>	<u>10,086</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(61,888)</u>	<u>(89,733)</u>	<u>(79,057)</u>	<u>10,676</u>
OTHER FINANCING SOURCES (USES):				
Transfer in - General obligation bonds	-	2,400	4,872	2,472
Operating transfer out	<u>(45,000)</u>	<u>(45,000)</u>	<u>(45,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(45,000)</u>	<u>(42,600)</u>	<u>(40,128)</u>	<u>2,472</u>
Net changes in fund balances	(106,888)	(132,333)	(119,185)	<u>\$ 13,148</u>
Prior year cash appropriated	<u>106,888</u>	<u>132,333</u>	<u>119,185</u>	
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Non-GAAP budgetary basis revenues			\$ 227,519	
Change in:				
Account receivables			<u>3,891</u>	
GAAP revenues			<u>\$ 231,410</u>	
Non-GAAP budgetary basis expenditures			\$ 306,576	
Change in:				
Account payable			(1,823)	
Accrued payroll, taxes, and benefits			<u>8,311</u>	
GAAP expenditures			<u>\$ 313,064</u>	

See independent accountant's compilation report and accompanying notes.

TOWN OF COCHITI LAKE
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)
EMERGENCY MEDICAL SERVICES
FOR THE YEAR ENDED JUNE 30, 2019

	Original	Final	Actual	Variance with Final Budget Positive/ (Negative)
REVENUES:				
EMS contract - County	\$ 40,000	\$ 40,000	\$ 40,000	\$ -
Grants - state	7,900	7,900	7,817	(83)
Charges for services	72,000	72,000	69,026	(2,974)
Other	<u>5,000</u>	<u>5,000</u>	<u>9,150</u>	<u>4,150</u>
Total revenues	<u>124,900</u>	<u>124,900</u>	<u>125,993</u>	<u>1,093</u>
EXPENDITURES:				
Public safety	109,384	189,463	188,546	917
Capital outlay	<u>-</u>	<u>11,685</u>	<u>11,685</u>	<u>-</u>
Total expenditures	<u>109,384</u>	<u>201,148</u>	<u>200,231</u>	<u>917</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>15,516</u>	<u>(76,248)</u>	<u>(74,238)</u>	<u>2,010</u>
OTHER FINANCING SOURCES (USES):				
Transfer in	<u>-</u>	<u>45,000</u>	<u>45,000</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>45,000</u>	<u>45,000</u>	<u>-</u>
Net changes in fund balances	<u>\$ 15,516</u>	(31,248)	(29,238)	<u>\$ 2,010</u>
Prior year cash appropriated		<u>31,248</u>	<u>29,238</u>	
		<u>\$ -</u>	<u>\$ -</u>	
Non-GAAP budgetary basis revenues			\$ 125,993	
Change in:				
Account receivables			<u>(94)</u>	
GAAP revenues			<u>\$ 125,899</u>	
Non-GAAP budgetary basis expenditures			\$ 200,231	
Change in:				
Account payable			<u>7,560</u>	
GAAP expenditures			<u>\$ 207,791</u>	

See independent accountant's compilation report and accompanying notes.

TOWN OF COCHITI LAKE
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)
VOLUNTEER FIRE DEPARTMENT
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive/ (Negative)
REVENUES:				
Grants - non-federal	\$ 132,106	\$ 135,052	\$ 135,100	\$ 48
Other	<u>-</u>	<u>-</u>	<u>110</u>	<u>110</u>
Total revenues	<u>132,106</u>	<u>135,052</u>	<u>135,210</u>	<u>158</u>
EXPENDITURES:				
Public safety	137,672	85,212	85,190	22
Capital outlay	<u>-</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Total expenditures	<u>137,672</u>	<u>100,212</u>	<u>100,190</u>	<u>22</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(5,566)</u>	<u>34,840</u>	<u>35,020</u>	<u>180</u>
OTHER FINANCING SOURCES (USES):				
Operating transfer out to debt service	<u>(37,803)</u>	<u>(37,803)</u>	<u>(37,803)</u>	<u>-</u>
Total other financing sources (uses)	<u>(37,803)</u>	<u>(37,803)</u>	<u>(37,803)</u>	<u>-</u>
Net changes in fund balances	(43,369)	(2,963)	(2,783)	<u>\$ 180</u>
Prior year cash appropriated	<u>43,369</u>	<u>2,963</u>	<u>2,783</u>	
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Non-GAAP budgetary basis expenditures			\$ 100,190	
Change in:				
Account payable			227	
Debt service - Principal			30,744	
Debt service - Interest			<u>7,059</u>	
GAAP expenditures			<u>\$ 138,220</u>	

See independent accountant's compilation report and accompanying notes.

**TOWN OF COCHITI LAKE
YEAR END FINANCIAL REPORT SUBMITTED TO DFA
YEAR ENDED JUNE 30, 2019**

**State of New Mexico
Local Government Budget Management System (LGBMS)**

Report Recap - Fiscal Year 2018-2019 - Cochiti Lake (Town) - FY 2019 Q4

Printed from LGBMS on 2019-08-12 12:43:52

Fund	Cash	Investments	Revenues	Transfers	Expenditures	Adjustments	Balance	Reserves	Adjusted Balance
11000 General Operating Fund	78,624.00	525,088.60	232,391.32	-45,000.00	306,575.71	74,577.28	559,105.49	25,547.98	533,557.51
20600 Emergency Medical Services	69,654.00	0.00	125,992.72	45,000.00	200,230.71	-2,469.71	37,946.30	0.00	37,946.30
20900 Fire Protection	3,117.00	0.00	135,210.00	0.00	137,992.84	-5.37	328.79	0.00	328.79
30300 State Legislative Appropriation Project	0.00	0.00	53,283.00	0.00	53,283.00	0.00	0.00	0.00	0.00
Totals	151,395.00	525,088.60	546,877.04	0.00	698,082.26	72,102.20	597,380.58	25,547.98	571,832.60

**TOWN OF COCHITI LAKE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2019**

Status of Prior Year Findings

2016-003	Inadequate Segregation of Duties	Repeated and Modified
2016-004	Written Policies and Procedures	Repeated and Modified

TOWN OF COCHITI LAKE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2019

2016-003 Inadequate Segregation of Duties (Material Weakness)

Condition:

The Town's accountant performs most of the accounting, reconciling, and record keeping functions of the Town without review or oversight by a person unrelated to these activities. Review is necessary to ensure errors and fraud are not occurring. Inadequate review allows the possibility that fraud could be committed and not detected.

We tested 60 cash and payroll disbursements. We noted the following errors caused by inadequate review and inadequate segregation of duties related to insufficient review caused by inadequate segregation of duties:

1. One of the tested transactions did not include an approval signature.
2. Quotes for services were missing or were not obtained for 3 purchases, which required the Town to obtain at least three quotes.

Management's Progress Towards Implementing the Prior Year Planned Corrective Actions:

The Town did make progress in resolving this finding.

Criteria:

In evaluating internal controls, one of the areas reviewed is segregation of duties in an accounting system. Review and oversight by a person unrelated to the accounting activities is a form of segregation of duties. Inadequate segregation of duties is a reportable condition.

Effect:

Employees of the Town could commit fraud and then hide the transactions in the accounting records and transactions.

Cause:

Inadequate segregation of duties and insufficient review of reconciliations, transactions, and reports.

Auditor's Recommendations:

The Town should develop procedures, at a minimum, for the following:

- Purchase requests should be signed before the checks are cut.
- Quotes should be obtained and filed with the supporting invoices as required.

Management's Response:

1. (Missing Approval Signature) Management continues to implement purchase and expense management and reporting standards. While there have been improvements, process requires refinement.

Current procedures require Purchase Requests and Expense Reports to be submitted to the Town Administrator or Mayor (or another Assembly member in the Mayor's absence) for approval, prior to submission to the Town Treasurer for payment. Non-recurring expenditures or expenditures not contemplated in the current approved budget in excess of \$250 require prior approval. All expenditures require approval and proof of purchase.

TOWN OF COCHITI LAKE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2019

2016-003 Inadequate Segregation of Duties (Material Weakness) - Continued

Management's Response - Cont'd:

The invoice in question was the result of the conclusion of construction of a sidewalk using capital outlay funds. The invoice was supported by a signed contract and was for the contracted amount. Because the invoice matched the contract, no the Treasurer did not obtain a signature.

2. (Missing Quotes for Services) Due to the remoteness of our community, it is often difficult to find contractors to obtain quotes from. However, we have begun identifying some small companies that willing to do projects in our community.

Corrective Action:

Management will supplement its procedures to ensure this situation does not recur. Management and the Assembly are planning workshops early in 2020 to address formal adoption of new policies and procedures.

As noted above, further development of procedures, including an updated purchasing ordinance, and training of staff, and identification of additional contractors.

Responsible Person:

Primarily the Mayor, Town Administrator and Town Treasurer are responsible for corrective actions. However, all staff members and Assembly members will be included and cooperate.

Timeline of Corrective Action:

Management and the Assembly are planning workshops early in 2020 to address formal adoption of new policies and procedures Within the next six to twelve months a full set of approved operating procedures and a new Purchasing Ordinance should be in place.

TOWN OF COCHITI LAKE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2019

2016-004 Written Policies and Procedures (Other Matters)

Condition:

The Town is in the process of developing written policies and procedures for the accounting functions which have not been completed and approved by Council.

Management's Progress Towards Implementing the Prior Year Planned Corrective Actions:

This finding remains essentially the same as the prior year.

Criteria:

NMAC 2.20.5.8 states that each local body shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general-purpose financial statements in accordance with GAAP. The internal control structure shall include written administrative controls (rules, procedures, and practice and policies that affect the Town).

Effect:

The Town does not have a guide for employees to follow which describes each significant operational area. The Town may not have the ability to perform certain functions if an employee quits or retires before their knowledge is passed on to another employee.

Cause:

The Town has not been told they should develop written policies and procedures.

Auditor's Recommendations:

The Town should develop written policies and procedures for each significant operational area. These documents should be presented to and approved by the Town Assembly.

Management's Response:

Town Management does have written Operating Procedures. New and additional policies and procedures are under development. In addition, the Town Library has its own operating procedures, including well developed Library Volunteer Handbook, a copy of which is located at the Library circulation office. The Library Director is also preparing a copy of her operating procedures to remain in the Town's Administrative office.

The Fire and EMS departments have voluminous operating procedure notebooks. Town administrative staff are aware of the information and where it is located in the Fire Chief's office.

Corrective Action:

While these procedures have not yet been approved by the entire Assembly because they are incomplete, the Town Treasurer has had numerous conversations with the Mayor regarding their development and they are being used to determine their efficacy and potential need for adjustment. They do provide a road map for Town operation and have been discussed with the Town Administrator who has a copy for her files. Continue developing operating procedures while assessing their reasonableness and efficacy.

TOWN OF COCHITI LAKE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2019

2016-004 Written Policies and Procedures (Other Matters) - Continued

Responsible Person:

Town Treasurer, Town Administrator, Library Director, Mayor and Town Assembly.

Timeline of Corrective Action:

Management and the Assembly are planning workshops early in 2020 to address formal adoption of new policies and procedures. Within the next six to twelve months a full set of approved operating procedures and a new Purchasing Ordinance should be in place and operational.

COMPILED FINANCIAL STATEMENTS AND REPORT

Compilation Report of Independent Public Accountant

Mr. Brian S. Colón, New Mexico State Auditor and
the Town Assembly
Town of Cochiti Lake, New Mexico
Cochiti Lake, New Mexico

Management is responsible for the accompanying financial statements of the Town of Cochiti Lake, New Mexico (Town), which comprise the balance sheets – governmental funds for each individual fund as of June 30, 2019 and the related statements of revenues, expenditures and changes in fund balances – governmental funds for each individual fund for the year then ended, and the related notes to the financial statements in accordance with the requirements of Section 2.2.2.16 New Mexico Administrative Code (NMAC).

We have performed a compilation engagement in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

In order to comply with the requirements of Section 12-6-3(B) NMSA 1978 and 2.2.2.16 NMAC, management has presented: (1) the governmental fund financial statements prepared using the modified accrual basis of accounting; and (2) only the notes related to those financial statements. However, in complying with these requirements, management has omitted the following financial statements and notes required by accounting principles generally accepted in the United States of America (GAAP): (a) the accompanying government-wide financial statements; and (2) note disclosures related to item (a). These omissions result in the financial statements being presented on a basis of accounting other than GAAP.

Management has elected to omit the government-wide financial statements and notes related to the government-wide financial statements required by accounting principles generally accepted in the United States of America. If the omitted government-wide financial statements and related note disclosures were included in the financial statements they might influence the user's conclusions about the Town's financial position, respective changes in financial position, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Management has also omitted the Management Discussion and Analysis (MD&A) that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such omitted information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context.

Mr. Brian S. Colón, New Mexico State Auditor and
the Town Assembly
Town of Cochiti Lake, New Mexico
Cochiti Lake, New Mexico

Other Information

The schedules required by Section 2.2.2 NMAC, as listed in the Supplementary Information – Supporting Schedules section of the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Harshwal & Company LLP

**Albuquerque, New Mexico
December 11, 2019**

TOWN OF COCHITI LAKE
BALANCE SHEETS
JUNE 30, 2019

	<u>General Fund</u>	<u>Emergency Medical Service</u>	<u>Volunteer Fire Department</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 34,017	\$ 37,946	\$ -	\$ 71,963
Cash and cash equivalents - restricted	-	-	329	329
Investments	525,089	-	-	525,089
Property taxes receivable	11,168	-	-	11,168
Due from other funds	7	743	-	750
Prepaid expenses	<u>-</u>	<u>1,937</u>	<u>528</u>	<u>2,465</u>
Total assets	<u>570,281</u>	<u>40,626</u>	<u>857</u>	<u>611,764</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accrued payroll, taxes, and benefits	1,774	621	-	2,395
Accrued expense	3,502	7,964	-	11,466
Due to other funds	<u>-</u>	<u>-</u>	<u>750</u>	<u>750</u>
Total liabilities	<u>5,276</u>	<u>8,585</u>	<u>750</u>	<u>14,611</u>
FUND BALANCES				
Nonspendable	-	1,937	528	2,465
Restricted	-	-	329	329
Assigned	-	30,104	-	30,104
Unassigned	<u>565,005</u>	<u>-</u>	<u>(750)</u>	<u>564,255</u>
Total fund balance	<u>565,005</u>	<u>32,041</u>	<u>107</u>	<u>597,153</u>
Total liabilities and fund balance	<u>\$ 570,281</u>	<u>\$ 40,626</u>	<u>\$ 857</u>	<u>\$ 611,764</u>

See independent accountant's compilation report and accompanying notes.

TOWN OF COCHITI LAKE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

	General Fund	Emergency Medical Service	Volunteer Fire Department	Total
REVENUES:				
Property taxes	\$ 77,006	\$ -	\$ -	\$ 77,006
Franchise fees	5,133	-	-	5,133
Grants - non federal	121,610	7,817	135,100	264,527
EMS contract	-	40,000	-	40,000
Charges for services	1,024	68,933	-	69,957
Interest and investment income	16,012	-	-	16,012
Other	<u>10,625</u>	<u>9,149</u>	<u>110</u>	<u>19,884</u>
Total revenues	<u>231,410</u>	<u>125,899</u>	<u>135,210</u>	<u>492,519</u>
EXPENDITURES:				
Current				
General government	148,812	-	-	148,812
Public works and utilities	47,777	-	-	47,777
Culture and recreation	65,478	-	-	65,478
Public safety	-	196,106	85,417	281,523
Capital outlay	50,997	11,685	15,000	77,682
Debt service - Principal	-	-	30,744	30,744
Debt service - interest	<u>-</u>	<u>-</u>	<u>7,059</u>	<u>7,059</u>
Total expenditures	<u>313,064</u>	<u>207,791</u>	<u>138,220</u>	<u>659,075</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(81,654)</u>	<u>(81,892)</u>	<u>(3,010)</u>	<u>(166,556)</u>
OTHER FINANCING SOURCES (USES):				
Debt proceed	4,872	-	-	4,872
Transfer in	-	45,000	-	45,000
Transfer (out)	<u>(45,000)</u>	<u>-</u>	<u>-</u>	<u>(45,000)</u>
Total other financing sources (uses)	<u>(40,128)</u>	<u>45,000</u>	<u>-</u>	<u>4,872</u>
Net Change in fund balance	(121,782)	(36,892)	(3,010)	(161,684)
Fund balance - beginning of year	<u>686,787</u>	<u>68,933</u>	<u>3,117</u>	<u>758,837</u>
Fund balance - end of year	<u>\$ 565,005</u>	<u>\$ 32,041</u>	<u>\$ 107</u>	<u>\$ 597,153</u>

See independent accountant's compilation report and accompanying notes.

TOWN OF COCHITI LAKE
NOTES TO THE COMPILED FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Entity

The Town of Cochiti Lake, New Mexico (Town) is located on property leased in 1969 from the Pueblo de Cochiti (Pueblo), a federally recognized Native American tribe, for a period of ninety-nine years. The Town operates under a 1970 Charter granted by the Pueblo.

The Town is governed by a Town Assembly which consists of five persons elected for four-year terms. The Assembly elects one member as Mayor, one as Mayor Pro-Tem, and hires a Town Administrator and Town Clerk.

Under the terms of an agreement with the Pueblo, the Town is required to provide fire and rescue services to the Town and the Pueblo. The Pueblo must approve the Town's grants, contracts, and other activities. In October 2004, the Pueblo took over operation of the Town's utilities, as permitted by the original Master Lease.

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental entities.

A. Financial Reporting Entity

The financial statements are prepared in accordance with the requirements of Section 2.2.2.16 New Mexico Administrative Code (NMAC) which constitutes a special purpose framework. This special purpose framework is a basis of accounting other than Accounting Principles Generally Accepted in the United States of America (GAAP). GAAP financial statements for governmental entities require both entity wide and fund financial statements, and a complete set of footnotes. The special purpose framework only requires the fund financial statements and selected footnotes.

The financial statements are presented for the Town and its component units. A legally separate organization that does not qualify as a primary government is a potential component unit. The normal criterion for deciding whether a potential component unit is, in fact, a component unit is financial accountability. Financial accountability is determined by analyzing fiscal dependency, board appointments, financial benefit or burden relationships, or the ability of the primary government to impose its will on the potential component unit. Based on these criteria, the Town has no component units.

The financial statements of the Town do not include those of the Cochiti Lake Improvement Trust Fund (ITF) which was presented as a discrete component unit in years before 2006. The ITF was originally established as a legally separate trust fund for the purpose of improving the infrastructure of the Town. However, this trust fund is now under the control of the Pueblo, and neither the funds nor the financial information are available to the Town.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are recorded.

Governmental financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period.

TOWN OF COCHITI LAKE
NOTES TO THE COMPILED FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

A. Financial Reporting Entity - Cont'd

For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is made.

The Town did not have any business-type activities during the year ended June 30, 2019.

The Town follows the following revenue recognition principles applied to nonexchange transactions which are in accordance with GASB *Statement 33, Accounting and Reporting for Nonexchange Transactions*:

Derived tax revenues are recognized as revenue in the period when the underlying exchange transaction has occurred and the resources are available. The Town currently does not have any derived tax revenues.

Imposed nonexchange revenues – ad valorem taxes are levied and collected by the Town. The assessed valuations on improvements as supplied by the Sandoval County Treasurer are utilized, and a rate of 0.23 is applied. The tax is levied August 1 of each year, and is due January 31 of each year, or may be paid in two installments due December 31st and February 28th.

Imposed nonexchange revenue other than property taxes are recognized in the period when an enforceable legal claim has arisen and the resources are available.

Government-mandated nonexchange transactions and voluntary nonexchange transactions are recognized when all applicable eligibility requirements have been met and the resources are available. These include grant revenues, state shared taxes and intergovernmental revenue. Grant revenues are recognized as revenues when the related costs are incurred.

Other revenues susceptible to accrual are investment income and charges for services. All other revenues are recognized when they are received and are not susceptible to accrual because they are usually not measurable until payment is actually received.

The Town reports the following governmental funds:

General Fund: The General Fund is the Town's primary operating fund. It accounts for all of the financial resources of the general government except those required to be accounted for in another fund.

Emergency Medical Services: The Special Revenue Fund is used to account for the operations of the Emergency Medical Department.

Volunteer Fire Department: The Special Revenue Fund is used to account for the operations of the Volunteer Fire Department.

TOWN OF COCHITI LAKE
NOTES TO THE COMPILED FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

B. Cash and Investments

Cash includes amounts in demand deposits and certificates of deposit. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

All investments are stated at fair value that is determined by using selected bases. Interest income, realized gains and losses on investment transactions, and amortization of premiums/discounts on investment purchases are included for financial statement purposes as investment income and are allocated to participating funds based on the specific identification of the source of funds for a given investment.

The Town does not have an investment policy. Town funds are invested in accordance with New Mexico State Statute 6-10-36 which provides for the following investments:

1. United States Treasury Securities (Bills, Notes and Bonds) and other securities issued by the United States government or its agencies or instrumentalities that are either direct obligations of the United States of America, the Federal Home Loan Mortgage Corp., the Federal National Mortgage Association, the Federal Farm Credit Bank, or the Student Loan Marketing Association, or are backed by the full faith and credit of the United States government.
2. Insured and/or collateralized (with U.S. Government Securities and/or New Mexico Bonds) certificates of deposit of banks, savings and loan associations, and credit unions, pursuant to State Board of Finance Collateral Policies.
3. Money market funds whose portfolios consist entirely of United States Government Securities or agencies sponsored by the United States government.
4. Investments in the New Mexico State Treasurer external investment pool (Local Government Investment Pool).

C. Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Town has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from ad valorem taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The Town did not have any unavailable revenue at June 30, 2019.

D. Fund Balances

The Town follows GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement defines fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent.

TOWN OF COCHITI LAKE
NOTES TO THE COMPILED FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

D. Fund Balances - Cont'd

The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance - amounts that are not in nonspendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance - amounts constrained to specific purposes by the Town itself, using its highest level of decision-making authority (i.e., Town Assembly). To be reported as committed, amounts cannot be used for any other purpose unless the Town takes the same highest-level action to remove or change the constraint.
- Assigned fund balance - amounts the Town intends to use for a specific purpose. Intent can be expressed by the Town Assembly or by an official or body to which the Town Assembly delegates the authority.
- Unassigned fund balance - amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The Town does not currently have a policy regarding whether committed, assigned, or unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those classifications could be used.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Town Directors have provided otherwise in its commitment or assignment actions.

E. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

F. Budgetary Information

Actual amounts on the budgetary basis are prepared on the cash basis of accounting which recognizes revenues when received and expenditures when paid. Annual budgets are adopted for the general and special revenue funds. The Town follows defined procedures in establishing the budgetary data reflected in the financial statements. Each year the Town determines amounts required for construction, maintenance, operations and debt service expenditures. Budget amounts are as originally adopted and as amended by the Town Assembly and approved by the Local Government Division of the State of New Mexico Department of Finance and Administration (DFA) and are prepared on a cash basis.

TOWN OF COCHITI LAKE
NOTES TO THE COMPILED FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

F. Budgetary Information - Cont'd

The Town submits a proposed budget to DFA for the fiscal year commencing the following July 1. DFA must approve the budget prior to its legal enactment. To meet legal compliance actual expenditures cannot exceed the total budgeted expenditures for the fund on a cash basis. Adjustments to the budget must be submitted to and approved by DFA in the form of a "budget adjustment request". The Town does not use encumbrances.

The budget is prepared on the cash basis, which differs from GAAP. Budgetary comparisons presented in these financial statements are on this Non-GAAP budgetary basis. The legal level of budgetary control is at the fund level.

The Tier 6 agreed-upon procedures require compiled financial statements, but does not required budgetary presentations as part of the compilation. Accordingly, no budget to actual statements have been presented as part of the compilation.

G. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

H. Pensions and OPEB

The Town has elected not to participate in either the New Mexico Public Employees Retirement Association (PERA) or the New Mexico Retiree Health Care Act. Therefore, the Town is not required to implement the following GASB statements:

- GASB Statement No. 68 - Financial Reporting for Pension Plans- An Amendment to GASB Statement 27,
- GASB Statement No. 71 - Pension Transition for Contributions Made Subsequent to the Measurement Date,
- GASB Statement No. 75 - Accounting and Financial Reporting for Postemployment Benefits other than Pensions.

I. Tax Abatement Disclosures

The objective of this statement is to assist the users of state and local government financial statements in assessing (1) whether a government's current-year revenues were sufficient to pay for current-year services (known as inter-period equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government's financial resources come from and how it uses them, and (4) a government's financial position and economic condition and how they have changed over time. The statement will not have a material impact on the Town's financial statements. The Town is not a party to any tax abatement agreements that need to be disclosed as required by GASB 77 during the 2019 fiscal year.

TOWN OF COCHITI LAKE
NOTES TO THE COMPILED FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS

Deposits

Custodial Credit Risk - Deposits: Custodial credit risk is, in the event of the failure of a depository financial institution, the Town will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a deposit policy for custodial credit risk. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and are (1) uncollateralized, (2) collateralized with securities held by the pledging financial institution, or (3) collateralized with securities held by the pledging financial institution's trust department or agent but not in the Town's name. As of June 30, 2019, the Town's cash, cash equivalent, and investments balances total of \$597,381 were covered by insurance and other security. The Town had no uninsured balances.

In accordance with Section 6-10-17, NMSA, 1978 Compilation, the Town is required to collateralize an amount equal to one-half of the public money in excess of \$250,000 at each financial institution.

The total balance in any single financial institution may at times exceed the \$250,000 in FDIC coverage available to individual depositors. The Town is required to obtain from each bank that is a depository for public funds pledged collateral in an aggregate amount equal to one half of the public money in each account.

Credit Risk: The Town has no formal policy on managing credit risk. State law limits investments to United States Government obligations, commercial paper with A-1 or better ratings, corporate bonds with a BBB+ or better rating, asset backed obligations with a AAA or better rating, or repurchase agreements.

Investments

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributable to the magnitude of the Town's investment in a single issuer. The Town has no formal policy limiting the amount of investments or deposits at any single institution or with any single issuer.

NOTE 3 - LONG-TERM OBLIGATIONS

During the year ended June 30, 2019, the following changes occurred:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Loans payable	\$ 267,104	\$ -	\$ (30,744)	\$ 236,360	\$ 31,313
Total	<u>\$ 267,104</u>	<u>\$ -</u>	<u>\$ (30,744)</u>	<u>\$ 236,360</u>	<u>\$ 31,313</u>

In October 2015, the Town entered into a loan agreement with the New Mexico Finance Authority in the amount of \$322,419. The purpose of the loan was for the purchase of a fire truck. The yearly debt service payments are made by intercepting the Town's state fire allotment. Interest rate increases from 1.787 to 4.270% over the life of the loan. The maturity date is May 1, 2028.

TOWN OF COCHITI LAKE
NOTES TO THE COMPILED FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 3 - LONG-TERM OBLIGATIONS - CONT'D

The following is a schedule of the debt service requirements to maturity for the loan:

Year Ending June 30	Principal	Interests	Total
2020	\$ 31,313	\$ 6,490	\$ 37,803
2021	31,977	5,826	37,803
2022	32,749	5,054	37,803
2023	33,601	4,202	37,803
2024	34,535	3,268	37,803
2025 to 2027	72,185	3,422	75,607
Total	<u>\$ 236,360</u>	<u>\$ 28,262</u>	<u>\$ 264,622</u>

NOTE 4 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions and natural disasters for which the government carries commercial insurance. The Town purchased commercial insurance to cover these risks. Management will evaluate the need for a commercial insurance policy on an ongoing basis.

NOTE 5 - PERA PENSION PLAN

The Town of Cochiti Lake does not participate in PERA. NMSA 10-14-2(B) defines employment for purposes of PERA as "service performed by an employee in the employ of the state, or any political subdivision thereof". Pursuant to the Town's Charter, adopted on the 25th day of August 1970 by the Pueblo de Cochiti and the Secretary of the Interior, the Town is a political subdivision of the Pueblo de Cochiti, not the state of New Mexico. As such, Town employees are not eligible to participate in PERA.

TOWN OF COCHITI LAKE
SCHEDULE OF DEPOSIT ACCOUNTS
JUNE 30, 2019

<u>Type</u>	<u>Depository</u>	<u>Account Name</u>	<u>Depository Balance</u>	<u>Reconciled Balance</u>
Interest bearing checking	NM Bank and Trust	General Fund	\$ 45,675	\$ 34,017
Interest bearing checking	NM Bank and Trust	EMS	39,639	37,946
Interest bearing checking	NM Bank and Trust	Fire Protection Fund	591	329
			<u>85,905</u>	<u>72,292</u>
Laddered CDs	Raymond James	Investments	334,543	334,543
Bank Deposits	Raymond James	Investments	141,327	141,327
Mutual Funds	Raymond James	Investments	49,219	49,219
			<u>525,089</u>	<u>525,089</u>
Total cash, cash equivalents, and investments			<u><u>\$ 610,994</u></u>	<u><u>\$ 597,381</u></u>

Insurance coverage for investments:

Laddered CD's are placed at financial institutions in increments less than \$250,000. All laddered CD's are FDIC insured.

Bank deposits held by Raymond James are FDIC insured.

The mutual funds are invested in Treasury and US Agency securities, and are exempt from the pledged collateral requirements.

TOWN OF COCHITI LAKE
SCHEDULE OF PLEDGED COLLATERAL
JUNE 30, 2019

	<u>NM Bank and Trust</u>	<u>Raymond James</u>	<u>Total</u>
Deposits at June 30, 2019	\$ 85,905	\$ 525,089	\$ 610,994
Less: FDIC coverage and other security	<u>85,905</u>	<u>525,089</u>	<u>610,994</u>
Uninsured public funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF COCHITI LAKE
EXIT CONFERENCE
JUNE 30, 2019

An exit conference was held on December 12, 2019, and attended by the following:

Town of Cochiti Lake, New Mexico

Don Topper, Mayor

James Lain, Mayor Pro-tem

Cindy Eakin, Treasurer

Dolly Kauley, Town Administrator

Harshwal & Company, LLPC

Mariam Tall, Audit Manager

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The financial statements were prepared by Harshwal & Company, LLP from the books and records of the Town. However, the contents of these financial statements remain the responsibility of the Town's management.