ALPINE VILLAGE SANITATION DISTRICT

INDEPENDENT ACCOUNTANT'S REPORT
ON THE APPLICATION OF TIER 4
AGREED-UPON PROCEDURES
YEAR ENDED JUNE 30, 2025

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ALPINE VILLAGE SANITATION DISTRICT
OFFICIAL ROSTER
JUNE 30, 2025

BOARD OF DIRECTORS

Name	Title
Michael Buechter	Chair
Troy Wade	Vice Chair
Cheryl Knobel	Secretary/Treasurer

SCOTT NORTHAM, CPA, PC
Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT ON THE APPLICATION OF TIER 4 AGREED-UPON PROCEDURES

Joseph M Maestas PE CFE, New Mexico State Auditor, and
Board of Directors of
Alpine Village Sanitation District
Alto, New Mexico

We have performed the procedures enumerated below for the Alpine Village Sanitation District (the District) for the year ended June 30, 2025. The District 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 upon by the District through the Office of the New Mexico State Auditor. The District's management is responsible for the District'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 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.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

Our procedures and results are detailed under Scope of Procedures and Results as noted in the table of contents. The District acknowledges that the procedures performed are appropriate to meet the intended purpose of the engagement, and that the procedures performed may not address all the items of interest to a user of the report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purpose.

Our findings related to the procedures in the Scope of Procedures and Results are presented in the accompanying Schedule of Findings and Responses as noted in the table of contents.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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, respectively, on the District's financial position and operations as of and for the year ended June 30, 2025. 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 those parties specified in the report.

This report is intended solely for the information and use of the Alpine Village Sanitation District, the New Mexico Office of the State Auditor, the New Mexico Legislature, and the Department of Finance and Administration-Local Government Division and is not intended to be and should not be used by anyone other than those specified parties.

Scott Northam, CPA, PC
Ruidoso, New Mexico
December 9, 2025

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Ruidoso, NM 88345

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ALPINE VILLAGE SANITATION DISTRICT
SCOPE OF PROCEDURES AND RESULTS
JUNE 30, 2025

1. Verify the local public body's revenue calculation and tier determination documented on the form provided at www.osanm.org under "Tiered System Reporting Main Page."	
Tier 4 Requirements – Cash basis revenues of $50,000 or more but less than $250,000 with no capital outlay award expenditures from the New Mexico Legislature.	The District's cash basis revenues totaled approximately $186,823 and the District did not expend any appropriated capital outlay from the New Mexico Legislature. The District is categorized as a Tier 4 agency.

2. Cash Procedures	
a. Determine whether bank reconciliations are being performed in a timely manner and whether all bank and investment statements are complete and on-hand.	All twelve fiscal year bank statements for the bank accounts provided for compliance examination. Reconciliations were timely performed within a reasonable time after the end of the month.
b. Test at least 30% of the bank reconciliations for accuracy. Also, trace ending balances to the general ledger, supporting documentation, and the financial reports submitted to DFA-Local Government Division.	A review of 100% of bank reconciliations noted the reconciliations were accurate and agreed with the general ledger and DFA reports.
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.	District's funds on deposit with the financial institution did not exceed the $250,000 FDIC maximum insured coverage during the year for either the demand deposit checking account or the money market account. No additional pledged collateral was necessary from the financial institution. District's funds on deposit with the brokerage firm did not exceed the $250,000 SIPC maximum insured coverage during the year for the cash and certificate of deposit accounts.

3. Capital Assets	
Verify that the local public body is performing a yearly inventory as required by Section 12-6-10 NMSA 1978.	The District has no moveable equipment. No inventory is required.

4. 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.	Analytical review and tests of actual revenue compared to budgeted revenue for the fiscal year noted no significant exceptions.
b. Select a sample of revenue equal to 30% of the total dollar amount and test whether the amount recorded in the general ledger agrees to the supporting documentation and the bank statement.	A review of fiscal year revenues (92% of coverage) noted amounts recorded on the cash basis in the general ledger agreed with deposit slips and other supporting documentation provided and the bank statements with no exceptions.
c. Select a sample of revenue equal to 30% of the total dollar amount and test the 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.	A review of fiscal year revenues (92% of coverage) noted amounts recorded on the cash basis in the general ledger agreed with deposit slips and other supporting documentation provided and the bank statements with no exceptions.

5. Expenditures **Select a representative sample of cash disbursements equal to at least 30% of the total dollar amount and test the following attributes:**	
a. Determine that the 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.	A review of selected fiscal year vendor disbursement invoices was conducted (82% of coverage) and no exceptions with respect to amount, payee, date, and description were noted.
b. Determine that the disbursements were properly authorized and approved in compliance with the budget, legal requirements and established policies and procedures.	A review of selected fiscal year vendor disbursement files was conducted (82% of coverage) and noted no exceptions as to authorization and approval for payment, budget compliance and compliance with 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).	Disbursement testwork revealed no exceptions to the process (or request for proposal process, if applicable), purchase orders, contracts and agreements being 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).

6. Journal Entries **Test all non-routine journal entries, adjustments, and reclassifications are posted to the general ledger for the following attributes:**	
a. Journal entries appear reasonable and have supporting documentation.	Journal entries were made to record transfers between bank accounts, bank charges and interest. There were no non-routine journal entries posted to the general ledger. Reviewed journal entries were properly supported.
b. The local public body has procedures that require journal entries to be reviewed and there is evidence the reviews are being performed.	There were no non-routine journal entries posted to the general ledger. The District has policies in place that require any journal entries made by the contract bookkeeper to be reviewed and approved by the Board of Directors on a monthly basis.

7. 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 body's governing body and DFA-LGD.	The original budget was approved by the Board of Directors and DFA-LGD. One budget adjustment was made during the fiscal year.
b. Determine if the total actual expenditures exceeded the final budget at the legal level of budgetary control; if the answer is yes, report a compliance finding.	The District did not exceed the final adjusted budget for the fiscal year.
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 fund.	The Original Approved, Final Budget and Actual (Non-GAAP basis) budget schedule follows these procedures and results as noted in the table of contents.

8. 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)(1)(d) NMAC.	No other or additional exceptions were noted when applying the procedures described above (regardless of materiality) indicating any fraud, illegal acts, or internal control deficiencies.

ALPINE VILLAGE SANITATION DISTRICT
SCHEDULE OF REVENUES AND EXPENSES
BUDGET AND ACTUAL (NON GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
OPERATING REVENUES				
Water Sales and Charges for Service	$ 37,500	$ 37,500	$ 23,621	$ (13,879)
Standby, Transfer & Late Fees	4,500	4,500	8,637	4,137
Property Taxes	45,000	45,000	56,746	11,746
Insurance Claim	-	91,830	91,830	-
Interest Income	5,750	5,750	5,989	239
Total Operating Revenues	92,750	184,580	186,823	2,243
OPERATING EXPENSES				
Current				
System Repairs and Maintenance	19,720	54,455	36,986	17,469
System Parts and Supplies	750	750	389	361
Insurance	3,850	3,850	1,202	2,648
Office Expense	2,040	2,040	6,294	(4,254)
Professional Fees and Contracted Services	44,300	44,300	42,100	2,200
Gross Receipt, Property and Other Taxes	3,600	3,600	2,511	1,089
Utilities	3,000	3,000	1,283	1,717
Training and Workshops	500	500	-	500
Miscellaneous	500	500	-	500
Capital Outlay	14,490	14,490	-	14,490
Total Operating Expenses	92,750	127,485	90,765	36,720
Change in Net Position	-	57,095	96,058	$ 38,963
Cash and Cash Equivalents - Beginning	195,386	195,386	195,386	
Cash and Cash Equivalents - Ending	$ 195,386	$ 252,481	$ 291,444	

ALPINE VILLAGE SANITATION DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2025

SUMMARY OF AUDITOR RESULTS:

Financial Statements:

1. Type of auditors' report issued	Tier 4 AUP
2. Internal control over financial reporting:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified not considered to be material weaknesses?	No
c. Noncompliance material to the financial statements noted?	No
d. Other Non-compliance	No

FINANCIAL STATEMENT FINDINGS OR FINDINGS REQUIRED BY SECTION 12-6-5 NMSA 1978

CURRENT YEAR FINDINGS:

NONE

PRIOR YEAR FINDINGS:

FINDING	STATUS
NONE	

ALPINE VILLAGE SANITATION DISTRICT
EXIT CONFERENCE AND OTHER DISCLOSURES
JUNE 30, 2025

An entrance conference was held on December 4, 2025 with Alpine Village Sanitation District representatives. The contents of this report were discussed with the District representatives in an exit conference held on December 9, 2025. The following individuals were available for the conference:

Alpine Village Sanitation District	**Scott Northam, CPA, PC**
Cheryl Knobel Board Secretary	Scott Northam, CPA

The agreed-upon procedures report of the Alpine Village Sanitation District was prepared by Scott Northam, CPA, PC, from original books and records provided by and with assistance from the management of the District.